



Generali Group

SUSTAINABILITY REPORT 2009



Emblem depicting fish, from the house  
of Lykourgos and Ambrosia

National Archaeological Museum, Aquileia  
1st century AD

Archive photo National Archaeological Museum, Aquileia

# SUSTAINABILITY REPORT

2009



## PHOTO ILLUSTRATIONS

Once again, the photos that illustrate this year's report are drawn from initiatives in which the Group is involved.

The cover and a large part of the Report feature photos of mosaics from Aquileia, a once-important Roman outpost in the Northern Adriatic region that served as a strategic and logistical bridge between the East and the West. Today, Aquileia is a site of exceptional archaeological importance that is protected by UNESCO and has a large area of exposed ruins that are open to public. The archaeological excavations, which were commenced in the nineteenth century and continue to this day, have uncovered private residences, storerooms, baths, the port, and the Early Christian Basilica, etc. as well as a number of floor mosaics produced in various periods spanning the early centuries of the Roman Empire to Late Antiquity.

Thanks to an agreement between the Department of Archaeology at the University of Padua - which is receiving support from Assicurazioni Generali - and the Department of Archaeological Heritage of Friuli Venezia Giulia, a project to catalogue the Aquileia mosaics is currently underway. Digital cataloguing of all the city's floors, around 700 in all, has already been completed.

The chapter on the environment features two photographs of the biomass power plant that the Group constructed in Veneto.

The power plant, which became operational in May 2009, is powered by gas produced by fermenting corn cultivated on land owned by Generali. The gas is fed into motors that drive a generator capable of producing 1,000 kWh of electricity per hour, which is then sold to a distributor. Waste products are recycled as fertilizer for the fields and for the operation of the plant itself.

The themes of the photo illustrations, one focusing on the past, the other looking towards the future, may at first appear unrelated. However, both are expressions of the spirit and values that are at the Group's core, such as respect for its roots, its history and for the artistic and cultural heritage, as well as for the environment and its resources, which represent a priceless and inalienable treasure that must be preserved for future generations.

ARCHAEOLOGIST G. BRUSIN  
WATCHES AS THE PEACOCK  
MOSAIC IS UNEARTHED, 1940s

Aquileia, Beneficio Rizzi estate

Archive photo National Archaeological  
Museum, Aquileia



## CHAIRMAN'S LETTER



2009 was a difficult year, marked by a global financial crisis and a general drop in underwriting activity. However, I am particularly satisfied that our Group was able to increase its premium income, especially in the life segment, confirming its position as a global leader in this sector.

This proves that Generali's business model, based on a geographical spread and a diversified distribution network, is solid and capable of generating considerable profits. This year, net revenue grew by 52.1% and allowed for the distribution of a 0.35 euro dividend per share. The result was achieved by seriously curbing expenses, thanks to a series of investments made to increase operational efficiency, and by a prudent financial management focused on guaranteeing proper risk balance. The Company's capital structure also proved sound, posting a 47.2% growth in shareholders' equity.

During these hard times, the Group did not forget - nor could it forget, given its strongly founded mission - to serve as a point of reference for its stakeholders: members of staff, agents and advisors, shareholders, as well as the community as a whole. Again in 2009, we distributed growing resources to all of these stakeholders, making them part of the wealth generated by the Company. We know that we owe a lot to both those who contribute to our success and those whose appreciation makes this success last. We believe that consistency between Company interests and general interests is

fundamental, hence our effort to further develop competitiveness and profitability without damaging the interests of the community. The development of sustainable, long-term business is an anchor for the Group, whose activity is based on shared values and practices characterising strategies as well as everyday operations. We have always believed that this *modus operandi* is the natural dimension of an insurance company, while keeping in mind that proactive behaviours and preventive measures are fundamental to protect the wealth that has been entrusted to us. In particular, effective protection of savings is our guiding star and we are determined to always do better in this domain.

Strengthened by our many years of experience, we work to translate these beliefs into every aspect of our activities. Six years ago, we decided to adopt a new structured approach to deal with the most significant issues of corporate responsibility. In 2009, in particular, we launched an Environmental Management System intended to reduce the impact of our activities on the environment. Environmental protection is one of the Group's priorities and we strive to choose the most effective instruments to prevent environmental risks, without waiting for new regulations or severe damage to compel us to act.

The seriousness of our commitment is mirrored by our Environmental Policy - approved by the Company's Board of Directors - and by our recent decision to adhere to the Carbon Disclosure Project. These choices reflect a commitment to achieve specific targets through a process of constant improvement and public accountability. Our experience over several years of sustainable practices and policies and the Group's entrance into new markets - very different from western ones - have made a revision of the 2004 Generali Group Ethical Code necessary. Our principles have been reaffirmed after taking into consideration new scenarios and strategies and other crucial aspects such as fundamental human rights, labour rights and the fight against corruption. A stricter vision of the relationship between ethics and economy is required, and the Code is now a more suitable instrument for supporting our daily actions and policies, increasingly

integrating and spreading the ten principles of the Global Compact. The 2009 Sustainability Report was prepared accordingly, with a view to improving communication transparency and clarity while taking into account the stakeholders' suggestions and their expectations. Among the new elements, is the partial inclusion of a new country, the Czech Republic, which in the last years has become of particular importance to the Group's business. Training initiatives also reflect a significant expansion of information, providing a picture of the activities implemented at a global level. We deem it right to present the widest possible range of relevant themes, thus responding to demands from analysts, as well as accounting for the Group's global effort.

We understand that, on the pathway to sustainability, our commitment will become more taxing. However, the interest and appreciation met by the achievements made so far - mirrored by the constant increase in the Group's assessments from ethics analysts - and the growing consensus revealed by surveys among stakeholders, especially our employees and sales force.

**Cesare Geronzi**

## METHODOLOGICAL NOTES

The 2009 Generali Group Sustainability Report (SR), now in its sixth edition, continues along the lines of previous reports with some new features devised to strengthen focus on those aspects of key interest to the various stakeholders.

In particular, the following aspects have been continued:

- the decision to publish the SR as a document in its own right, distinct from the Group's other information tools. This choice was driven mainly by a decision to focus attention on social and environmental issues which would not be adequately addressed in the Financial statements. The connection with financial reporting is in any case developed in both directions: on the one hand, important data from the Consolidated Financial statements on the Group's economic-financial performance has been reported in the SR; on the other, the Consolidated Financial Statements and Parent Company Statements provide brief summaries of the company policies that relate to employees and the environment;
- reference to international standards: the Sustainability Reporting Guidelines, edition 3 (G3) of the Global Reporting Initiative (GRI) and its Financial Services Supplement, aligned for content, published in November 2008; for the process of collecting information, according to the principles of AccountAbility1000;
- the focus on insurance and bank business, including associated service activities;
- the vast geographical area it covers, which includes the main countries in which the Group operates - Italy, Austria, France (excluding Europ Assistance), Germany, Israel, Spain and Switzerland, and this year also includes the Czech Republic. The latter's inclusion in the SR area is limited to information on employees and the sales force, in addition to the information presented in previous years in the community and environmental sections. In order not to weigh too heavily on the company structures, a gradual extension of the coverage of the set of key performance indicators (KPIs) has been agreed, which is expected to be completed over a three-years period. With regard to Israel in particular,

some information is not available due to confidentiality or because it could create a competitive disadvantage for the company since such information has not been disclosed by competitors. The 2009 SR area represents 67.2% of the entire Group in terms of workforce and 85.5% in terms of total gross direct premiums;

- the updating of quality data at the 2009 year-end and of descriptive aspects at the time of printing this report;
- the period of time considered is generally two years because of the difficulty in recalculating comparable past data for a longer period. Only in the Shareholders chapter, the availability of information permits the presentation of data pertaining to four years. 2008 data may differ from previously published data since, in order to allow accurate comparison, such data is recalculated according to the same criteria used for the same data in 2009, each time variations occurred;
- information is organized by key stakeholder category, divided into the three customary groups: direct stakeholders (employees, sales force and shareholders), competitive stakeholders (clients, contractual partners and issuing companies) and social and environmental stakeholders (community and environment);
- reference to the sustainability section of the company website [www.generali.com](http://www.generali.com) for information that is always up-to-date on the different significant aspects and relative company performance;
- the decision not to require external assurance of the SR from an assurance provider. This decision is based on the Group's desire to use available resources to improve the social and environmental performance and effectiveness of its reporting, in terms of quality and quantity of the information provided and whether it corresponds to the interests of the various stakeholders.

As for new introduction, those sections containing information of a less important nature or information available from other Group sources continue to be streamlined, while other sections of greater interest were expanded, as a result of information received from key stakeholders on

a number of occasions and forms of dialogue. Of particular note are:

- the structure of the chapter on the Group which has been significantly changed, and the information on corporate governance and economic results has been simplified. Stakeholders interested in these aspects should refer to the Corporate Governance Report and the Consolidated Financial statements respectively.
- the introduction, in the Group chapter, of a summary of the management approach to relations with the different categories of significant stakeholders which shows the main policies and goals by category. The summary represents an evolution of the existing Table of objectives, which will shortly be developed in tables for more timely reporting, for each category of stakeholder, on achieving the set goals;
- the presence, again in the Group chapter, of a section to collect significant data available from the entire Generali Group, unless otherwise specified; in those chapters that are dedicated to individual stakeholders, the data instead refers to the SR area unless otherwise indicated;
- a global employee and sales network training framework, complete with ASTD indicators, is contained in the Employees and sales force chapter;
- expansion of the chapter on the environment, which reports on the important results already obtained as part of the project aimed at introducing a Group Environment Management System;
- integration of the annual Communication on Progress (COP) at Global Compact into the GRI identification table, in line with the guidelines as set out in the Making the Connection publication, which is jointly edited by the two organisations.

**ITALY**

Alleanza Toro S.p.A.  
 Assicurazioni Generali S.p.A.  
 Augusta Assicurazioni S.p.A.  
 Augusta Vita S.p.A.  
 D.A.S. - Difesa Automobilistica Sinistri S.p.A.  
 Europ Assistance Italia  
 Fata Assicurazioni Danni S.p.A.  
 Fata Vita S.p.A.  
 Generali Business Solutions S.c.p.A.  
 Generali Gestione Immobiliare S.p.A.  
 Generali Investments Italy SGR  
 Genertel S.p.A.  
 Genertellife S.p.A.  
 Gruppo Banca Generali  
 INA Assitalia S.p.A.

**AUSTRIA**

Allgemeine Immobilien-Verwaltungs-Gesellschaft mbH  
 Bawag PSK Versicherung AG  
 Care Consult Versicherungsmaker GmbH  
 Europ Assistance Österreich  
 Europäische Reiseversicherungs AG  
 Generali Bank AG  
 Generali Capital Management GmbH  
 Generali FinanzService GmbH  
 Generali Holding Vienna AG  
 Generali Immobilien AG  
 Generali IT-Solutions GmbH  
 Generali Leasing GmbH  
 Generali Sales Promotion GmbH  
 Generali Telefon – und Auftragservice GmbH  
 Generali Versicherung AG  
 Generali VIS Informatik GmbH  
 Risk-Aktiv Versicherungsservices GmbH

**CZECH REPUBLIC**

Česká pojišťovna, a.s.  
 Generali PPF Holding B.V.

**FRANCE**

AM Prudence S.A.  
 E – Cie Vie S.A.  
 Européenne de Protection Juridique S.A.  
 Generali Epargne Salaire S.A.  
 Generali France S.A.  
 Generali IARD S.A.  
 Generali Immobilier Conseil S.A.  
 Generali Immobilier Gestion S.A.  
 Generali Investments France S.A.  
 Generali Vie S.A.  
 L'Equité S.A. Cie d'Assurances et Réass. Contre les risques de toute nature

**GERMANY**

AachenMünchener Lebensversicherung AG  
 AachenMünchener Versicherung AG  
 Advocard Rechtsschutzversicherung AG  
 AM Gesellschaft für betriebliche Altersversorgung mbH  
 AM Vertriebsservice-Gesellschaft für Personenversicherungen mbH  
 AM Vertriebsservice-Gesellschaft Sachversicherungen mbH  
 ATLAS Dienstleistungen für Vermögensberatung GmbH  
 Central Krankenversicherung AG  
 Cosmos Finanzservice GmbH  
 Cosmos Lebensversicherungs AG  
 Deutsche Bausparkasse Badenia AG  
 Dialog Lebensversicherungs AG  
 Europ Assistance Deutschland  
 Generali Deutschland Holding AG  
 Generali Deutschland Immobilien GmbH  
 Generali Deutschland Informatik Services GmbH  
 Generali Deutschland Pensio Pensionsfonds AG  
 Generali Deutschland Schadenmanagement GmbH  
 Generali Deutschland Services GmbH  
 Generali Deutschland SicherungsManagement GmbH  
 Generali Investments Deutschland Kapitalanlagegesellschaft mbH  
 Generali Lebensversicherung AG  
 Generali Versicherung AG  
 Schloss Bensberg Management GmbH  
 Volksfürsorge AG Vertriebsgesellschaft für Vorsorge- und Finanzprodukte

**ISRAEL**

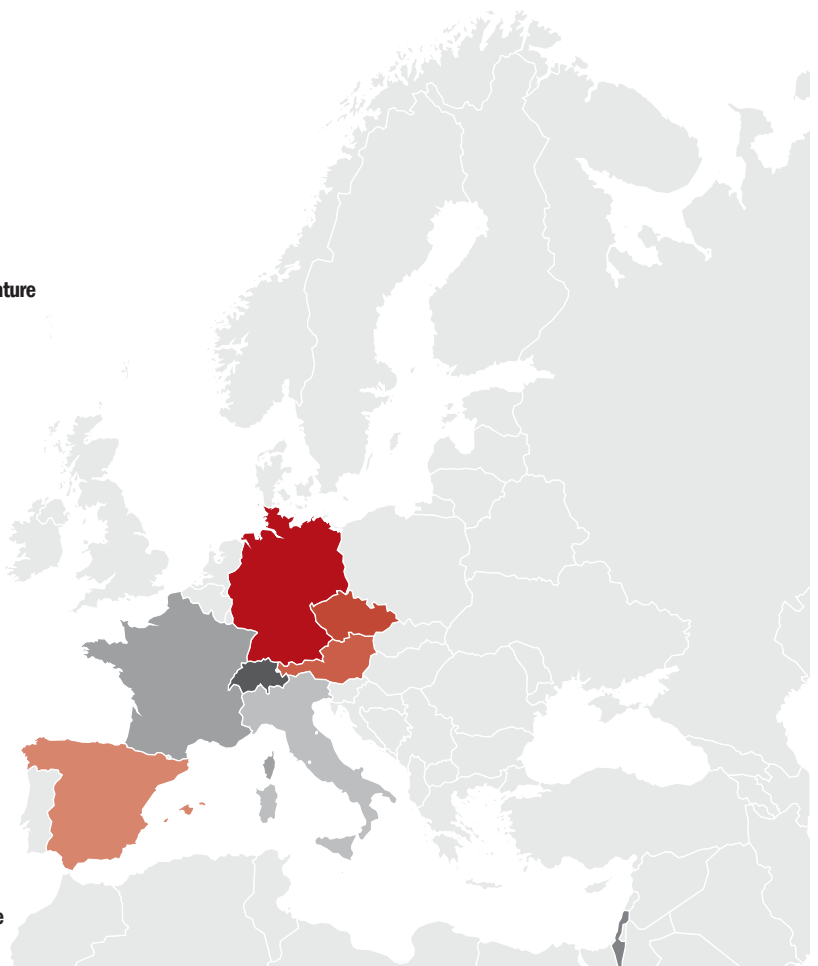
Migdal Insurance Company Ltd

**SPAIN**

Banco Vitalicio de España-Compañía Anónima de Seguros  
 Cajamar Seguros Generales S.A. de Seguros y Reaseguros  
 Cajamar Vida S.A. de Seguros y Reaseguros  
 Europ Assistance España  
 Generali España Holding de Entidade de Seguros S.A.  
 Gensegur Agencia de Seguros S.A.  
 Grupo Generali España Agrupación de Interés Economico  
 Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales  
 La Estrella S.A. de Seguros y Reaseguros  
 Vitalicio Torre Cerdà S.I.

**SWITZERLAND**

BSI S.A.  
 Europ Assistance Suisse  
 Fortuna Investment AG  
 Fortuna Rechtsschutz-Versicherung-Gesellschaft AG  
 Generali (Schweiz) Holding AG  
 Generali Assurances Générales  
 Generali Personenversicherungen AG





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MOSAIC WITH GRAPEVINE AND RIBBON BOW  
FROM THE COSSAR ESTATES

National Archaeological Museum, Aquileia  
end 1st century BC – early 1st century AD

Photo: Neva Gasparo

CHAPTER 1



GROUP



# IDENTITY

## Vision, values and competencies

A project is currently in progress, which aims at defining a Paper Values and Model of Managerial Competencies, coherently with the Group Vision. The project involves Human Resource representatives and 130 managers in international focus groups. At the moment the results are being evaluated, that will integrate and partly update the previous model, as reported below.

### Vision

- We are committed to being a leading international team that produces consistent, excellent results for our stakeholders in the short and long term.
- We believe in the value of our people and we build our competitive advantage through the commitment of every individual. We will therefore seek to produce and to leverage constantly a pioneering spirit, innovation and excellence.
- We are committed to becoming the most attractive employer for the best performing people.
- We will work constantly to enhance our Group identity, proud of our history and of the richness of our diversities.
- We are committed to promoting mutual respect and social responsibility.

### Values

**Pioneering spirit:** inclination towards innovation and continuous search for new and better solutions, being open to changes and being ambitious to continuously improve and innovate.

**Passion for clients:** emphasis on clients and their needs, searching for the optimal solution to satisfy them both by supplying high quality products and services as well as by providing them with transparent and thorough information.

**Responsibility:** ethical choice of accepting the consequences of one's own actions and of being loyal to the organization, taking the initiative and making decisions within one's own competence and responsibility.

**Respect:** strong belief that "doing business" implies respecting the rules; rules linked to our duties towards shareholders as well as rules affecting the relationship with all our stakeholders, especially our employees and the community where we operate.

**Flexibility:** ability to be open and to encourage others to stay open to change, to maintain and improve work effectiveness in new situations, to adapt one's attitude and behaviour to work effectively with different people, to readily adapt to changing priorities, new procedures and methods, better ideas and strategies.

**Integration:** ability to grow and work together by listening to each other and openly and constructively comparing different ideas, which is fundamental to improve both oneself and business results.

**Professionalism:** continuous commitment of the individual and of the organization to develop knowledge and to increase the value of experience, in order to achieve a specific and distinctive know-how.

**Transparency:** a "must" in the exchange of opinions and information, based on clear purposes and on behavioural coherence in order to create and strengthen confidence amongst people and integrity in business performance.

### Competencies

**Strategy implementation:** promote the creation of a common vision, in line with the Group's strategy. Define plans, assign objectives and delegate, clearly stating priorities and responsibilities for achieving the results expected.

**Decision-making responsibility:** promptly tackle any situation and problem arising in own area of responsibility by making decisions and assuming responsibility for the consequences of those decisions over time. Build consensus with respect to those decisions.

**Organizational integration:** Understand roles and the interrelation of each function with organizational processes; be aware of and balance the interests and needs of one's own role with those of the whole organization, developing effective relations based on collaboration.

**People development:** undertake actions to promote and support the professional development of people. Train potential replacements in line with Group's future needs.

**Team management:** use a teamwork approach with a full commitment to its value. Mobilize and manage teams so that they are effective with respect to objectives; promote cohesiveness within the team.

**Business awareness:** take a global view of the business and its evolution. Assess the implications of decisions on financial, technical and economic variables over time. Implement improvement measures aimed at producing value for shareholders.

**Technical authority:** sustain and develop professional know-how in line with present and future business needs. Take an active part in relevant national and international professional communities.

## The Generali Group Ethical Code

In the pursuit of its future growth objectives, Generali Group remains loyal to the fundamental principles which have always made it stand apart and which shaped its ethics, such as transparency, fairness and impartiality. These principles are reiterated in the Generali Group Ethical Code, revised and approved by the Parent Company's Board of Directors on 12 May 2010. The steps taken by the Group to promote sustainability in the last few years, in particular, joining the UN Global Compact and the Carbon Disclosure Project, have required a review of the Ethical Code.

The Ethical Code also outlines the fundamental guidelines that provide the foundation for the conduct of all those who operate within the Group in relations with various stakeholder categories. Particular reference is made to relations with political parties, trade unions and associations. The Group does not support demonstrations or other initiatives that are exclusively or predominantly political in nature. Furthermore, it refrains from placing any direct or indirect pressure on political representatives and does not make any contribution to trade unions or associations with which a conflict of interest situation may arise. The formal statement on a global level of some fundamental personnel and working rights, which are already guaranteed to the employees in the European Social Charter (see the Employees Chapter) are of particular prominence in the new contexts of the Code. The Ethical Code wording implies the existence (or short-term processing) of specific codes which - in compliance with the regulations, practices and culture in each country - regulate in detail the relationship with the Group's main stakeholders in all countries where it operates. The Group's Environmental Policy is an example, which refers to the Ethical Code on environmental protection to define the objectives the Group intends to pursue and the commitments it has undertaken in this area.

The Generali Group Ethical Code also sets out document application methods. In particular, to ratify its relevance, the Code and its future revisions must be approved by the Board of Directors of the Parent Company. Furthermore, the document is published in Italian and English and translated into the language of each of the countries in which the Group operates and is published on the [www.generali.com](http://www.generali.com) website and on the website of each Group company. The Code is then distributed to all categories of interested parties. In this regard, the Group undertakes to develop and create adequate training programmes to ensure correct comprehension and implementation.

In the event of violation of the Ethical Code, disciplinary measures are in place, the most serious of which entails the dismissal of those responsible for violation. Reports of violation or alleged violation must be communicated non-anonymously and in written form to Assicurazioni Generali's Corporate Social Responsibility unit, which analyses the reports and forwards them to the Top Management of the company where the violation took place for any appropriate measures to be implemented. The people who trustfully report violations remain anonymous and are protected against any form of retaliation, discrimination or damage.

### Reports of alleged violations of the Ethical Code

	TOTAL		PARTIALLY ACCEPTED		ACCEPTED		INVESTIGATION UNDERWAY		REJECTED	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	1	10	0	4	0	2	0	1	1	3
ABROAD	0	2	0	0	0	0	0	0	0	2

- In 2009, 12 reports were received, 6 of which were deemed founded and were upheld or partially upheld. The latter were mainly reports from staff and clients and related to failure to comply with the principles of fairness, transparency and conflict of interest.
- It should also be noted that in 2009, an additional report that had been received in 2007 relating to a labour dispute was rejected, and at the year-end two reports from the previous year were still pending.

In 2008, Israel prepared an Ethical Code, which draws on Generali Group principles and builds on them, adapting them to its own specific needs. Group companies generally have their own codes of conduct and/or behaviour. Additional information is provided in the Employees chapter.

## Adhesion to external environmental and social initiatives

The progress made in its path towards sustainability has confirmed and consolidated in the Group the conviction that competitiveness must to all intents and purposes accompany not only ethical sensitivity, but also social and environmental involvement. As testimony to this belief, the Generali Group has adhered to some social and environmental initiatives in recent years.

In particular, in 2007, it joined the **UN Global Compact**, an initiative launched and sponsored by the United Nations that aims to promote and disseminate sustainable development practices. As part of this membership, the Group adopted the following principles:

- I. Support and respect the protection of internationally proclaimed human rights within their sphere of influence.
- II. Make sure that they are not complicit in human rights abuses, even indirectly.
- III. Should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- IV. Eliminate all forms of forced and compulsory labour.
- V. Support the effective abolition of child labour.
- VI. Support the elimination of discrimination in respect of employment and occupation.
- VII. Take a precautionary approach to environmental challenges.
- VIII. Undertake initiatives to promote greater environmental responsibility.
- IX. Encourage the development and diffusion of environmentally friendly technologies.
- X. Work against corruption in all its forms, including extortion and bribery.

Membership requires the Group to integrate these principles in its strategy, policies and daily business and to adopt and promote them in all contexts and countries in which it operates. The measures it has taken and the progress it has achieved with regard to each of the principles are shown in the GRI - UN Global Compact identification table, which includes the Communication on Progress on activities conducted in 2009 and prepared in accordance with the guidelines set out in the publication Making the Connection drafted jointly by the two bodies.

In 2010, the Group joined the **Carbon Disclosure Project**, an initiative to meet the challenges associated with climate change and limit the latter by adopting eco-sustainable behaviour. Additional information is provided in the Environment chapter.

## Mission

Generali Group is one of the leading insurance and financial companies in the world. Since its inception, it has been characterised from the outset by a strong international drive with a focus on continental Europe and markets with strong development potential, the Group aims to:

- establish itself as one of the leading companies worldwide in the life and non-life direct insurance sectors in terms of profitability, serving primarily private clients and small and medium companies;
- produce excellent and consistent results for stakeholders over the short and long term;
- continue to strengthen Group identity, taking into consideration the richness of Group companies diversity.

In its business activities, the Generali Group aims to promote a culture of sustainability, contributing concretely to high quality economic and social development, respecting and promoting human rights in all its spheres of influence. The Group is also committed to an environmentally aware operational approach, supporting initiatives aimed at developing and promoting greater environmental responsibility.



MOSAIC DEPICTING A NEREID ON  
A SEABULL

National Archaeological Museum, Aquileia  
end 1st century BC – early 1st century AD

Photo: Mauro Mezzarobba



## STRATEGIES

In all countries the Generali Group pursues its objectives for future growth and sustainability, which are closely connected.

### Development strategy

#### Countries of Group operation



Generali Group is one of the most significant participants in the global insurance and financial products market. Assicurazioni Generali S.p.A., founded in 1831 in Trieste, Italy, is the Parent Company of the Group, which has been characterised from the outset by a strong international outlook.

Now present in 68 countries, the Group has consolidated its position, establishing a growing importance in Western Europe, its main area of activity, and intends to establish itself on international markets with strong potential for growth. In this regard, in August 2009, the Group obtained licence from the local Minister of Finance to open a representative office in Vietnam.

In the context of economic recession on key markets and of low interest rates, the Group has accelerated its processes for improving operating efficiency, benefiting from territorial diversification levels and from the distribution channels. In particular, reorganisation and restructuring interventions have continued in Italy, with the merger of the Toro and Alleanza subsidiaries. In Germany, where the merger of Generali Versicherung and Volksfürsorge is complete, and in Spain, where the merger of Vitalicio Seguros and Estrella has begun.

Additional information in this regard is provided in the 2009 Consolidated Financial statements.

The Group primarily targets the retail and small and medium enterprise segment, in which it operates with a distribution strategy based on a multi-channel approach and a range of brands in the various countries where it operates. In its core insurance business, the Group offers a broad range of life, savings and retirement products, and non-life products, such as coverage for vehicles and boats, products providing protection for the family, property and for the production, commercial and professional activities. Generali is also one of the leading global players in roadside assistance field through the Europ Assistance group, providing services for the motor, travel, health, home and family

sector. It has however recently extended its scope: providing not only in insurance business and assistance services, but also financial, real estate and asset management services. For more information see the Clients chapter.

For additional information, please refer to the numerous presentations that can be viewed in the Investor Relations section on the [www.generali.com](http://www.generali.com) website.

## Sustainability strategy

The Group's sustainability strategy has the following main priorities:

- **to promote sustainable growth over time**, through business practices that ensure the Group's successful financial performance over the long-term;
- **to value the people** who work within the Group, promoting the continuous development of skills and professionalism among staff members and acknowledging individual contributions towards the success of the organisation;
- **to support the community** in which the Group operates, supporting social, cultural and sports initiatives;
- **to promote the reduction of its direct and indirect environmental impact**, adopting measures to minimize energy, paper and water consumption and pollutant emissions and defining supply, product and investment policies to encourage eco-compatible behaviour in suppliers, clients and the companies the Group chooses to invest in.

The Group's social commitment has triggered a learning process, which has permitted the development of corporate know-how in:

- promoting a **sustainability culture** within the Group, also encouraging the sharing of best practices developed by individual companies or countries throughout the Group;
- expanding the **social and environmental policies** and making them more systematic to meet stakeholder expectations;
- standardizing **management systems** associated with sustainability on a global scale;
- developing and fine-tuning **recognition and reporting systems**, identifying new indicators to measure the economic, social and environmental impact of company activities.

## Communication strategy

Generali Group considers an integrated communication strategy to be of fundamental importance, promoting a continuous, complete and transparent flow of information to all its stakeholders.

A new, redesigned version of the Group's **website** has been launched, with more modern, logical and user friendly graphics. The website provides a corporate summary and an introductory global view of Generali Group. The site has a number of sections containing official documents and the most important information for investors, shareholders, journalists and qualified candidates in search of employment. It also presents a section specifically dedicated to corporate social responsibility, extended this year to include information on Group Environmental Policy. The website is available in both Italian and English, and access statistics are continuously monitored for a better understanding of site use and to fine-tune its settings. The site is updated in line with market expectations. It includes a subscription system that alerts users of the publication of press releases, financial statements, quarterly reports, shareholder newsletters and notices of the Shareholders' Meeting. An active RSS (Really Simple Syndication) System is also in place. This immediately alerts users of the publication of specific contents such as a financial presentation or a press release. The site also has different assistance functions, including a button that zooms letters and increases contrast between the letters and the page background, ensuring access to the greatest number of users possible and thereby preventing discrimination. In 2009, the site was enhanced with new functionalities, including an option to vote for the page, to compare share performance with peers and view dynamic footage by institutions and sponsors, as well as certain important information, such as 3D graphics of financial information and consolidated data, online databases of the Group's insurance libraries, e-mail contacts for reporting violations of the Generali Group Ethical Code as well as information on bonds issues, reviews, international job offers, interviews and Top Management speeches. These innovations helped the site win a number of awards in 2009. In particular, it came twenty-eighth in the Webranking Europe awards for the quality of online corporate and financial communication, hosted in English by Hallvarsson & Halvarsson consultants on the English version of the corporate websites of the top 500 European companies for capitalisation, and coming first among insurance and reinsurance company websites. The website was also classified in the top ten of Webranking Italia, standing out among the top 100 Italian companies and winning particular accolade for the transparency of information in the Corporate Governance section and for the effective promotion of values and

of the brand in the Employer Branding section. Once again, the Group received the special Italy Fastest Response 2009 award, for best performance in the test devised to promote user dialogue and in its response to on-line stakeholder requests. Additional information on the awards received by Group companies is available on their websites and/or in the other chapters of this document.

Each company has its own website, which can also be accessed under The Group worldwide section of the Group website. Currently only the websites of companies with the Generali brand follow the graphics and contents of the corporate website; new web guidelines for the Group are, however, expected to be defined and shared globally in the near future, with the aim of tackling current topics, such as corporate Group presence in the main social media websites (the so-called web 2.0).

In terms of editorial communications, the Group has a preference for instruments that minimize environmental impact and can guarantee timely information.

The Generali Group Reporters website covers news from the entire Group, which is written in a journalistic style and is supported by interactive web multimedia. It aims to contribute to employee growth and employees can access the site either as the recipients of communications or as active participants. The website has an Italian language version, and an English language version that presents international news.

The Group also publishes regular online newsletters for its employees, which summarize the main news and provide timely updates on important initiatives, and Investor's Info, a half yearly publication providing information for shareholders, which is also available on the website in both Italian and English. Redesigned both in terms of graphics and functional design, the Group's oldest paper publication *Il Bollettino* is characterised by the concept of sustainability: on the one hand, it is made using materials with minimal environmental impact, such as recyclable packaging and ecological paper, and, on the other, its editorial plan centres on the Group's social responsibility philosophy and initiatives. It is published every four months and is translated and distributed in English via the Group's corporate website.

Major Group companies, both in Italy and abroad, periodically publish company magazines that, along with the corporate websites for each country, are the main tools used to reach the various stakeholder categories, with the aim of: supplying corporate information on Group companies; providing information on commercial and promotional initiatives; promoting and protecting a good organisational environment, reinforcing the sense of belonging among staff; promoting and facilitating the exchange of information between various sectors and offices. Newsletters are also published, some of which target employees, while others, of a technical nature, target agents and commercial networks, while others still contain information on the insurance sector, on finance, on the Group and on products sold, and target journalists, clients and the public in general. The magazines and newsletters are distributed in paper and/or electronic format and in many cases are also available in the relevant archives of the corporate Intranet sites. Further information is provided in the chapters that follow.

Generali's media communication policy is based on transparency and on a commitment to guaranteeing clear, accessible and accurate information, in compliance with regulations on the distribution of information. The instruments used for such purposes are press releases, interviews, meetings, events and relations between Top Management and economic and financial journalists. In 2009, approximately 1,000 press releases on economic, financial and product-related topics were issued by Generali Group companies worldwide, around half of which in countries included in the Sustainability Report area. The Parent Company in particular, issued around fifty press releases. In the year, the Group was the subject of approximately 12,000 articles in major national and international newspapers, and radio and TV appearances also increased (more than 500 in Italy alone). In 2009, in addition to the traditional press conference following the annual Shareholders' Meeting, additional meetings between Top Management and the press were scheduled and Group companies in turn organised almost one hundred press conferences.

## Stakeholder Engagement

Generali Group considers all those who directly contribute to the pursuit of Group objectives, thus allowing the Group to be competitive on the market, and who have an influence on the various activities, as its stakeholders. The various stakeholder categories are thus:

- **direct stakeholders** (employees, sales force and shareholders), who are an integral part of the Group;
- **competitive stakeholders** (clients, contractual partners, suppliers and issuing companies), who are more closely associated with the business;
- **social and environmental stakeholders** (community and environment), representing the external realities in which the Group operates.

Acknowledging the importance of stakeholder involvement in the sustainable growth process has prompted Generali Group to introduce various forms of stakeholder dialogue.

Presentation of the Group Sustainability Report to university students by the Managing Director, Giovanni Perissinotto, is one example. In particular, the fifth Sustainability Report was presented and discussed at the Bocconi University in Milan on 28 May 2009. The event reiterated the positive experience attained in previous years with young adults from the University of Trieste, from the MIB - School of Management and from the Cattolica University in Milan.

Forms of **direct dialogue** with individual stakeholder categories also continued. In particular, employees were taken part in satisfaction surveys, international focus groups aimed at defining a Charter of Values, open discussion forums on Internet, the brand, quality and special initiatives, as well as through new online communication tools, such as the above mentioned Generali Group Reporters and Generali Group Reporters International.

Forms of sales force dialogue include meetings, interviews, focus groups, workshops, road shows and conventions which aim to measure network satisfaction with the support provided by the companies, to improve products and services and share company strategies.

Road shows, meetings and sector conferences form the main type of dialogue with the financial community.

Shareholders are also given the opportunity of communicating directly with the Company through the Investor Relations section of the Group website.

Multiple customer surveys are also conducted: customer satisfaction, brand perception, image and advertising surveys, as well as surveys to understand client needs, desires and behaviour in order to develop and improve products and services.

Additional information on the approach, frequency, results and any key issues emerging from activities involving the various stakeholders is provided in the relative chapters of this document.





GEOMETRIC MOSAIC WITH  
CENTRAL *KANTHAROS*

National Archaeological Museum, warehouses.  
Aquileia  
1st century AD

Photo: Mauro Mezzarobba

# GOVERNANCE

## Corporate bodies

Generali Group has adopted a decentralized business model with a range of brands and grants significant responsibilities to the managers of the various countries in which the Group operates, while promoting the strategies most suited to each country's individual characteristics.

The Corporate Centre plans, coordinates and controls country-based operations, supporting the work of Managing Directors in regard to their respective delegated powers and areas of activity. Information on its structure is provided in the Corporate Governance Report and on the Group website.

The system of governance of the Corporate Centre is based on certain key factors, such as the central role of the Board of Directors, the proper management of conflicts of interest, transparency in the communication of corporate management decisions and internal control system efficiency. These commitments are reflected in the activity of the main corporate boards, which are: the Board of Directors, which includes the Executive Committee, the Internal Control Committee and the Remuneration Committee, the Shareholders' Meeting and the Board of Auditors.

In particular, the Board of Directors has broad management powers to pursue the corporate purpose. The Board of Directors is appointed by the Shareholders' Meeting every three years and currently comprises 19 members, of which 2 are executive directors, 17 are non-executive directors and 11 are independent members. Directors are selected on the basis of professionalism and competency as disclosed in their curriculum vitae and must meet the specific integrity requirements and, in some cases, independence requirements, the latter of which is periodically checked by the Board of Auditors. Board members must also provide a statement of acceptance of the appointment, based on their assessment of whether they expect to be able to dedicate the time effectively needed to diligently perform the tasks and responsibilities required of them. They must also take into consideration the number of Director and/or Auditor appointments they hold in other companies listed on regulated markets (including foreign markets), in financial, banking and insurance companies or in companies of a certain size as well as any other professional activity they are engaged in. There are no general and preventive exceptions to the non-competition clause.

The Chairman performs tasks of supervising the implementation of decisions taken by the Board of Directors and by the Executive Committee. He is also responsible for managing all functions concerning external relations, communications and institutional relations of the Group.

The Executive Committee is a board with important Parent Company and Group management functions. It comprises of the Chairman of the Board of Directors, 3 Vice Chairmen, Managing Directors and 2 non-executive and independent directors. The duties of the other Committees mentioned are primarily to provide advice and recommendations: the Internal Control Committee, comprising of 3 non-executive and independent directors, mainly assists the Board of Directors in performing their duties as assigned with regard to the internal control system while the Remuneration Committee, comprising of 3 non-executive and independent directors, expresses opinions and formulates non-binding proposals to the Board of Directors on the calculation of the remuneration of the Chairman of the Board of Directors, Vice Chairmen, Managing Directors and General Manager.

The Shareholders' Meeting is the body that represents shareholder interests and deliberates on the issues set out in the agenda. Shareholders representing at least one fortieth of the share capital may request, within five days of publication of the notice of the Shareholders' Meeting, integration of the list of items on the agenda, while listing in the application any additional topics they have proposed. All holders of ordinary shares in the Parent Company, including employees, may exercise their right to vote and to participate in the Meeting, providing they have legal proof of their right to attend and that the communication arrives within the established timeframes.

The Board of Auditors is the board responsible for ensuring compliance with the law, the Articles of Association and with management control.

With regard to the remuneration system, the Articles of Association provide that each member of the Board of Directors is entitled to be reimbursed for the expenses incurred in attending the meetings, in addition to a gross annual fee, a variable fee amounting to 0.01% of the consolidated profit for the year, and a token payment for attending each meeting.

The remuneration of Directors vested with particular responsibilities are established by the Board of Directors, after consulting the Board of Auditors. This remuneration model has so far had a tripartite structure: the first element is a fixed fee, the second a variable fee, with parameters based on Group management and/or profit indicators, and the third consists of a long-term incentive comprising of a stock-option plan, the implementation of which is subject to conditions precedent linked to further Group management and/or profit indicators. This system applies to the Chairman, Managing Directors, the General Manager, and directors with strategic responsibilities.

## Bodies for developing sustainability

The system of governance of the Corporate Centre also involves a number of dedicated bodies and company departments committed to rendering systematic not only economic but also social and environmental issues in the course of their activities.

Responsibility for sustainability on a Group level lies in the hands of the **Corporate Centre General Manager and Chief Financial Officer** (CFO), who must:

- monitor the major social and environmental changes and identify consequential risks to which the Group is exposed, with particular reference to the risks associated with human rights, corruption and environmental changes;
- identify sustainability strategies, guidelines and basic policies;
- define the policies to be adopted in order to involve stakeholders.

The General Manager chairs the Sustainability Committee, the CSR Committee in Italy, as outlined below.

The **Sustainability Committee** is a decision-making body with control over Group sustainability issues, whose duty it is to define:

- social and environmental policies common to all Group Companies;
- opportunities, risks and areas for improvement associated with the Group's sustainability;
- shared objectives and targets, which are later specified by each country on an individual basis;
- results monitoring systems;
- contents and methods for reporting Group sustainability.

The Committee is comprised of Group managers from the corporate departments that are most involved in implementing social and environmental policies (Human Resources and Group Organisation, Communications, Finance, Financial Reporting, Corporate Social Responsibility) and representatives from all countries where the Group has operations, which are directly involved in the processes of implementing policies and drafting the Sustainability Report.

The Committee meets at least twice a year to analyse the results recorded in the Sustainability Report and to discuss the fulfilling of set objectives, the difficulties encountered and any unresolved problems.

To improve the organization and coordination of activities in the social and environmental field, it was deemed necessary to introduce governing bodies on a national level, called **CSR Committees**. The Committees interface on the one hand with the Sustainability Committee and, on the other, with local Group companies in order to promote the decisions made by the Corporate Centre and implement them.

In particular, the CSR Committees are responsible for:

- assess the contributions that the national Group can make towards specific objectives and targets on a global scale;
- identify the manner in which these may be fulfilled;
- assess the adequacy of actions proposed by individual companies with Group policies and objectives;
- monitor indicators for measuring results.

The CSR Committees are chaired by a member of Top Management and they represent the company functions most commonly involved in implementing social and environmental policies on a national level. The Committees meet at least twice a year to assess the situation in their countries with regard to social and environmental performance indicators, the assessment of the results achieved and the development of solutions for any problems and critical issues.

The role of coordinating all the activities associated with **Corporate Social Responsibility**, within the Group as well as in respect of the market, is the responsibility of the Corporate Social Responsibility unit of the Corporate Centre, comprising six people who report directly to the General Manager and the Chief Financial Officer. In particular, the CSR unit is responsible for:

- coordinating the activities of the Sustainability Committee and the CSR Committee for Italy;
- drafting periodic reports and proposals to be submitted to the Sustainability Committee;
- coordinating the project for defining and implementing the Environmental Management System, on which more information is provided in the Environment chapter;
- coordinating the dissemination and implementation of environmental and sustainability policies;
- ensure ongoing dialogue and involvement with stakeholders;
- responding to stakeholder information requests regarding Group sustainability policies and initiatives;
- coordinating the process of collecting information related to the Sustainability Report and drafting and publishing this document in the field of Financial Reporting.

## Internal control and risk management system

In compliance with current Italian regulations and the Solvency II Directive, the Group is currently equipped with an internal control and risk management system comprising of a combination of regulations, procedures, tools, devices, organisational solutions and human resources, etc.. The system is designed to handle internal control and risk management issues with an integrated perspective on Enterprise Risk Management (ERM), to guide company business and investment choices, while defining operational and auditing and control responsibilities.

The governance principles defined by the ERM model are based on certain fundamental principles, set out by Assicurazioni Generali and communicated throughout Group companies. The Group Risk Committee, an advisory body comprising of the Managing Directors, the General Manager and Chief Financial Officer, the Chief Risk Officer and the Technical/Insurance Regulator, is responsible for providing support and suggestions to the Managing Directors and/or the General Manager concerning strategic risk management at Group level, for examining the current risk profile and for developing strategic proposals regarding risk. Other Top Managers in the Group are asked from time to time to take part in the Committee, depending on the subject matter under discussion in the specific sessions, which are normally held bimonthly. Each Group Company has set up a Risk Committee that periodically meets to discuss business plans; local companies must send Risk Committee minutes to the Corporate Centre, including periodical reports on specific subjects and annual risk reports, which summarise the risk management policies adopted, the methodologies and procedures used and the results obtained in terms of economic capital and solvency.

So as to ensure correct behaviour and compliance with insurance industry regulations, the internal control and risk management system includes two levels of responsibility:

- first level, comprising of all the daily operations carried out by the individual operating units on their respective procedures, in order to mitigate the major risks identified. The procedural plan and the traceability of the self-assessment of the level of efficiency and effectiveness of said procedures are ensured by a special corporate database known as the Library of Corporate Procedures, available to all Italian Group companies and to some international companies. In the Library of Corporate Procedures all major corporate risks are identified and managed, with the aim of assessing the adequacy of implemented control activities so as to mitigate or eliminate negative events affecting the company;
- second level, basically designed for the monitoring and checking of the abovementioned operations by means of independent auditing of Group company procedures by the Internal Auditing Department. An Independent Risk Control Department is responsible for the correct identification, assessment and measurement of risks. A specific Compliance Department monitors and addresses risk management issues that do not comply with standards.

The Board of Directors is responsible for creating a “control and risk management culture” to raise awareness within the workforce of the importance, usefulness and added value that internal controls bring to the company. Top Management ensures that all staff are aware of their individual roles and responsibilities so that they may be effectively involved in the management of risks and controls, as an integral part of their duties.

### Structures in charge of the internal control and risk management system

Body	Duties
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• is ultimately responsible for the system</li> <li>• sets guidelines</li> <li>• periodically checks system functionality for adequacy and effectiveness</li> </ul>
<b>Top Management</b>	<ul style="list-style-type: none"> <li>• identifies major corporate risks</li> <li>• implements strategic guidelines</li> </ul>
<b>Chief Risk Officer</b>	<ul style="list-style-type: none"> <li>• is responsible for implementing and monitoring the Parent Company's risk management system</li> <li>• coordinates the corresponding activities of subsidiaries</li> <li>• reports to the Managing Director and Chief Financial Officer who is responsible for risk management</li> </ul>





Body	Duties
<b>Committee for Internal Control (part of the Parent Company Board of Directors)</b>	<ul style="list-style-type: none"> <li>• comprises three independent, non-executive directors, its duties are to provide information, advice and recommendations</li> <li>• the Internal Auditing, Independent Risk Control and Compliance directors report to the Committee</li> </ul>
<b>Group Risk Committee</b>	<ul style="list-style-type: none"> <li>• assists the Managing Directors in defining the Group's risk profile and relative economic capital levels</li> <li>• monitors the risk profile on the basis of reports from supervisory departments</li> <li>• supports the Managing Directors in defining any corrective strategies</li> </ul>
<b>Internal Auditing Department</b>	<ul style="list-style-type: none"> <li>• monitors and assesses the effectiveness and efficiency of the Internal Control System</li> <li>• provides information on operations, especially to the Board of Auditors and the Committee for Internal Control (in which it is invited to participate)</li> </ul>
<b>Independent Risk Control Department</b>	<ul style="list-style-type: none"> <li>• is responsible for all control activities regarding the identification and assessment of risk</li> <li>• provides information to the Committee for Internal Control, in which it is invited to participate</li> </ul>
<b>Compliance Department</b>	<ul style="list-style-type: none"> <li>• identifies, assesses and controls risk that does not conform to standards</li> </ul>

The Generali Group has a risk management system whose objective it is to identify, evaluate and control the most significant risks it is exposed to, which are risks whose consequences may threaten the solvency or constitute a serious obstacle to attaining company objectives. The system aims to contain and maintain the risks identified within an acceptable level, with the goal of guaranteeing on the one hand, optimisation of the available assets needed to meet the risks and, on the other, to improve the Group's profitability adjusted for risks.

Risk management system is based on three main pillars: process of risk measurement, aimed at assessing the solvency of the Company; process of risk governance, aimed at defining and controlling the managerial decisions in relation with relevant risks; risk management culture, aimed at increasing the value creation.

The model is based on a bottom up logic; the specific policies adopted by each Italian and foreign business unit are part of a main framework: the principles, the targets and the main risk management procedures defined by the Parent Company are spread and applied across the Group, with the purpose of maintaining a high degree of coherence and integration among the risk management systems of the different business units.

The types of risks to which the Group is exposed are grouped into a number of categories, including financial, credit, insurance and business risks.

In particular, **financial risks** refer to: market risks, the risks of changes in the price of a financial instrument or a portfolio caused by a change in one or more market conditions, concentration risks, referring to a single exposure or group of exposures that may increase the volatility of assets or produce losses so significant they may threaten the capacity to maintain operations; liquidity risks, namely the risk of liquidating investments and other activities to regulate financial obligations when they expire; currency risks, from unexpected changes in exchange rates.

**Credit risks** are included in financial investment risks, which refer to the impact of economic solvency due to the issuer's default or downgrade of debt instruments, and reinsurance instruments, which refer to the reinsurer's ability to fulfil the contractual obligations to Group companies.

**Insurance risks** referring to the non-life line of business are linked to the uncertainty of results of underwriting activity with regard to underwriting risks, including catastrophic risks and confidentiality risks. Catastrophic risks merit special mention which include natural risks associated with atmospheric risks, insured by the Group in countries where it has operations, although through different methods, according to market conditions and practices, and at times are limited to the middle market and corporate clientele. The Group analyses and studies the risks and compares them with the effects of climate change, using special stochastic models that forecast damages for different periods of returns.

Insurance risks referring to the life line of business pertain to mortality and longevity risks, among others. The first refer to phenomena of mortality exceeding expectations due to volatility in the mortality rate, catastrophes or medium or long-term trends causing a permanent and uniform increase, while the second are risks that the effective life duration is greater than expected, for example due to improved conditions of life exceeding those estimated when establishing rates, leading to losses. The Group conducts regular analysis on the adequacy of the basic techniques it adopts in light of these social risks.

Lastly, **business risks** primarily include image and operating risks. Image risks are associated with the deterioration of reputation or negative perception of the Group's image by the various stakeholders. Their management is essentially delegated to individual operating units, called upon to identify and implement initiatives to mitigate the risks. Operating risks are, on the other hand, intended as potential losses deriving from shortfalls and/or inadequate performance of internal processes, human resources and systems, for internal and external reasons. Their management is essentially delegated to individual operating units, called upon to prepare operating plans coherent with objectives and identify and implement all mitigation initiatives for risks that may compromise their achievement, in terms of absorption of capital and the volatility of operating results. Risks relating to the execution of processes, systems interruption or malfunction and employment, client and product risks are examples of operating risks, for which different prevention and control initiatives are described respectively in the Employees and Clients chapters.

The **risk of corruption, fraud and money laundering** also merit mention in this section. These are crimes punishable by national legislation. Each country and/or company adopts principles and procedural rules to prevent and expose unlawful behaviour; the provisions are applicable to all appropriate units and all interested parties. In particular, the issue of corruption is addressed in the Generali Group Ethical Code, which explicitly confirms the Group's commitment to take all the measures necessary to fight such crime. To this end, in Italy, pursuant to Legislative Decree no. 231/01 as amended, an Organisational and Management Model was adopted and implemented, which aims to prevent behaviour that is contrary to the principles of fairness, legality and transparency in the management of business by staff, partly in order to avoid administrative responsibility on the company's part for crimes committed by members of staff in their own interests or to their advantage. The correct understanding and diffusion of the contents and informant principles of the model is ensured through specific training initiatives, provided by e-learning methods to all employees and agents. No confirmed episodes of corruption occurred within the Generali Group in 2009. The Organisational and Management Model also addresses the crime of fraud, although this is limited to computer fraud, and the crime of money laundering.

Details regarding the internal control and risk management system are contained in the 2009 Consolidated Financial statements and the Corporate Governance Report.

## Privacy

In line with national legislation, Generali Group companies have adopted suitable technical, organisational and operating measures to guarantee the confidentiality and security of the personal (and at times sensitive) information of both potential and existing clients and other stakeholders (staff, suppliers and other). Only personal data that is strictly necessary in the provision of the required services and in achieving the objectives laid out in the specific privacy disclosures provided to all interested parties is collected, with particular attention to sensitive data, which is only collected and processed where the use of personal or anonymous data is not deemed viable.

All Group employees and sales networks are informed of the fundamental principles and of their duties in relation to protecting processed data. Staff members have access to various forms of training, information and means of updating their skills: handbooks, newsletters, e-learning self-study courses and classroom courses and continuously updated privacy sections on the Intranet and Extranet.

In 2009, there were 24 reports of alleged privacy violation made against Group companies compared to 22 in the previous year. Reports in the sense of administrative recourse to the Privacy Authority for the protection of personal data or to the Courts and/or information requests submitted to the companies by the Privacy Authority. None of these reports were upheld by the Authorities, or received criminal or financial penalties, while 2 remain outstanding and 16 were rejected. In Italy, 6 reports were made by clients and in Germany, 12 reports were made by clients and 6 by other stakeholders. The reports do not relate to the disclosure of data to third parties without consent or to the theft or loss of data, but essentially relate to data transmission or processing errors.



MOSAIC WITH BUSTS OF ATHLETES  
FROM THE GREAT BATHS

National Archaeological Museum, warehouses.  
Aquileia  
4th century AD

Photo: Neva Gasparo

## ECONOMIC-FINANCIAL PERFORMANCE

As at 31 December 2009, the Generali Group has recorded the following primary economic data. More information is provided in the 2009 Consolidated Financial statements.

### Group highlights on a consolidated basis

	2008	2009
<b>RESULT OF THE PERIOD ATTRIBUTABLE TO THE GROUP</b>	<b>860.9</b>	<b>1,309.1</b>
<b>TOTAL INCOME</b>	<b>70,554.6</b>	<b>90,659.7</b>
<b>NET EARNED PREMIUMS</b>	<b>61,982.2</b>	<b>64,036.1</b>
<b>EUROPE</b>	<b>58,968.9</b>	<b>60,820.6</b>
<b>THE AMERICAS</b>	<b>1,449.5</b>	<b>1,383.3</b>
<b>ASIA</b>	<b>1,563.8</b>	<b>1,832.2</b>
<b>TOTAL EXPENSES</b>	<b>69,018.1</b>	<b>88,491.3</b>
<b>NET INSURANCE BENEFITS AND CLAIMS</b>	<b>44,540.3</b>	<b>68,187.5</b>
<b>EUROPE</b>	<b>42,774.1</b>	<b>63,350.6</b>
<b>THE AMERICAS</b>	<b>1,178.7</b>	<b>1,098.4</b>
<b>ASIA</b>	<b>587.5</b>	<b>3,738.5</b>
<b>GLOBAL ADDED VALUE</b>	<b>12,011.1</b>	<b>12,635.1</b>
<b>TOTAL ASSETS</b>	<b>383,938.4</b>	<b>423,816.9</b>
<b>INVESTMENTS</b>	<b>327,134.9</b>	<b>341,513.3</b>
<b>EUROPE</b>	<b>311,471.1</b>	<b>323,141.6</b>
<b>THE AMERICAS</b>	<b>2,485.9</b>	<b>2,767.2</b>
<b>ASIA</b>	<b>13,177.9</b>	<b>15,604.5</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>383,938.4</b>	<b>423,816.9</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>11,312.8</b>	<b>16,652.3</b>

### VALUES IN MILLIONS OF EUROS

At December 31, 2009, the Group consists of 521 fully consolidated companies evaluated by the shareholders' equity method, up by 45 since the prior year, and of 292 unconsolidated companies, of less significance, down 41 compared to the previous year. In particular, the number of fully consolidated companies increased from 449 to 488 (169 insurance companies and insurance holdings, 146 holdings and/or financial and real estate companies, and 173 in the service and other sectors).

The full list of all Generali Group companies is shown in the table attached in the Notes to the 2009 Consolidated Financial statements.

In the consolidation area, employees number 85,322, 15,956 of which are based in Italy and 69,366 in other countries, up by 1,259 compared to the end of 2008.



## Workforce by level

	MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
	EUROPE	2,074	2,025	50,976	51,918	19,695	19,064	74	73	72,819
THE AMERICAS	166	162	3,932	4,125	3,257	3,092	0	0	7,355	7,379
ASIA	98	128	3,321	3,769	470	966	0	0	3,889	4,863
<b>TOTAL</b>	<b>2,338</b>	<b>2,315</b>	<b>58,229</b>	<b>59,812</b>	<b>23,422</b>	<b>23,122</b>	<b>74</b>	<b>73</b>	<b>84,063</b>	<b>85,322</b>

In 2009, clients of the Generali Group insurance companies are estimated to number approximately 69 million, up from the prior year. 76.4% of clients are concentrated in Europe, 19.6% in the Americas and 4% in Asia.

The Group's portfolio also grew and is estimated at 108.4 million, 86.4% of which are underwritten in Europe, 11.1% in the Americas and 2.5% in Asia.

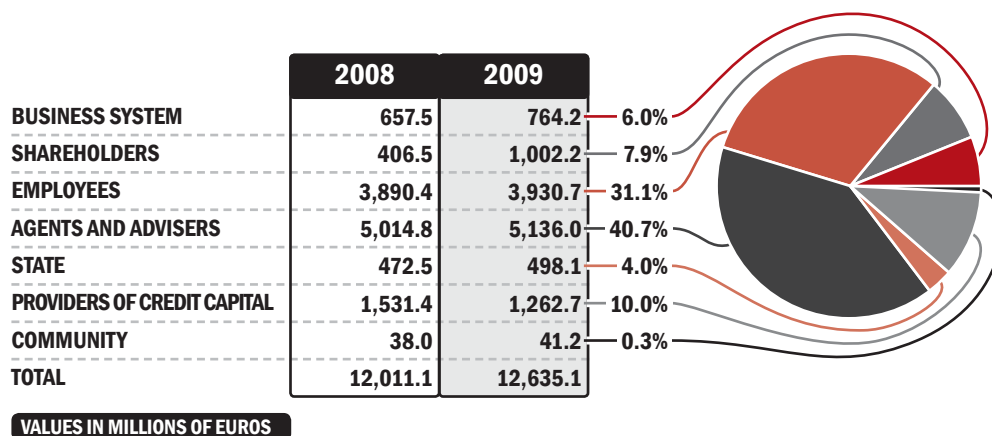
With the aim of constantly monitoring development to avoid duplications where policyholders holding numerous policies in different insurance lines are counted twice the Group continues to refine its IT procedures.

## Global Added Value

The Global Added Value (GAV) - calculated as the difference between the total revenues and income and the total costs and liabilities minus the cost of employee and agent remuneration, open distributions and sponsorships and interest on borrowing - expresses the wealth the Group's activities in the year have generated to the benefit of different classes of stakeholders. The indicator cannot, however, highlight the benefits investments bring to the relevant economy and environment.

In 2009, the GAV increased by 5.2%.

## Distribution of GAV



- In 2009, the distribution of GAV underscored the allocation of increasing sums to all stakeholders, with the sole exception of financiers.
- The majority of funds continue to be allocated to agents, financial advisers and employees, despite having fallen slightly.
- The GAV shares allocated to the business system and to shareholders recovered, thanks to considerable increases of funds attributed to them: +16.2% for the sums allocated to the business system and +146.5% for the dividend attributed to shareholders, which regain in terms of share. Both increases benefit from the considerable increase in net result of the period compared to 2008, which last year had resulted in a sharp decrease in the amount allocated to these stakeholders. The GAV share allocated to the shareholders includes both the result of the period to the minority interests and the dividends distributed to the Group's shareholders.
- However, the community shows a good increase in received resources (+8.4%).
- In 2009, Generali Group received no significant government financing.





MOSAIC WITH GRAPEVINE AND  
RIBBON BOW FROM THE COSSAR  
ESTATES, DETAIL OF A VINE LEAF

National Archaeological Museum, Aquileia  
end 1st century BC – early 1st century AD

Photo: Mauro Mezzarobba

## MANAGEMENT APPROACH

In brief, the management approach to relations with the different categories of significant stakeholders, described in more detail in the dedicated chapters of this report which include details of performance, is described below.

### Employees

- Policy: non-discrimination and equal opportunity; communication based on transparency, clarity and completeness; guaranteed working conditions with consideration for the dignity of the individual, in a safe and health workplace; recognition and enhancement of individual expertises; ban on any form of forced, compulsory and child labour; recognition of the freedom of association; valuing of the spirit of belonging.
- Goal: improve employee satisfaction; introduce new instruments for balancing work and family life; improve communications between management and staff; training as a tool for personal and professional growth; extensive training on the new Ethical Code, human and workers' rights.

### Shareholders and investors

- Policy: value the investment of shareholders; timely, transparent and balanced information; improved ethical rating.
- Goal: maintain high levels of profitability on investment, increase competitiveness and financial solidity; satisfy requirements for inclusion in ethical indexes.

### Clients

- Policy: maximise customer satisfaction; loyalty; contractual relations and communication with clients based on the principles of fairness and honesty, professionalism, transparency and cooperation in research for the best solutions to customer needs; raising awareness of clients on adopting responsible behaviour in social and environmental terms; facilitate access to the insurance for those in need.
- Goal: high quality standard in products and services and their continuous adaptation to new needs; expansion and valuing of products and services with social and environmental value; starting microinsurance initiatives; information on major social and environmental aspects and the Group's approach to these issues.

### Contractual partners

- Policy: creation and development of a network of long-lasting and mutually beneficial relationships with qualified suppliers; raising awareness of suppliers in adopting responsible behaviour in social and environmental terms; competition based on quality and price; processes of transparent purchasing; transparency and respect for contractual commitments.
- Goal: qualification of suppliers also based on social and environmental criteria; integrity in the chain of supply, formalisation of a Group policy on supplier relations.

### Issuing companies

- Policy: achievement of high financial income in the long term in compliance with the criteria of safety, reliability and ethical investment; raising awareness of issuing companies on the adoption of responsible behaviour in social and environmental terms.
- Goal: definition of own sustainable social and environmental guidelines for the management of all Group investments; exercise of active share option schemes.

### Community

- Policy: contribute to the improvement of society playing an active and advisory role in the companies' social fabric; raising awareness of the collectiveness of relevant issues from a social and environmental standpoint.
- Goal: sustain, by providing funds or by other methods, a large number of social, cultural, environmental and sports initiatives; implementation of projects of mutual interest with institutions, non-profit associations, research and education institutions; formalisation of guidelines for initiatives to benefit the community.

### Environment

- Policy: optimise natural resources and introduce quotas for renewable energy; reduce emissions from company mobility; extend selective waste disposal for recycling; provide education and raise awareness on environmental issues.
- Goal: specific targets have been set for each objective identified in the policy, published also in the section Sustainability-Environment of the [www.generali.com](http://www.generali.com) website; continuing to implement the Environmental Management System.

For policies for economic development and targets, please refer to the section Strategies earlier in this chapter.









MOSAIC WITH HEXAGONS AND FLOWERS

National Archaeological Museum, Aquileia  
end 1st century BC

Photo: Neva Gasparo





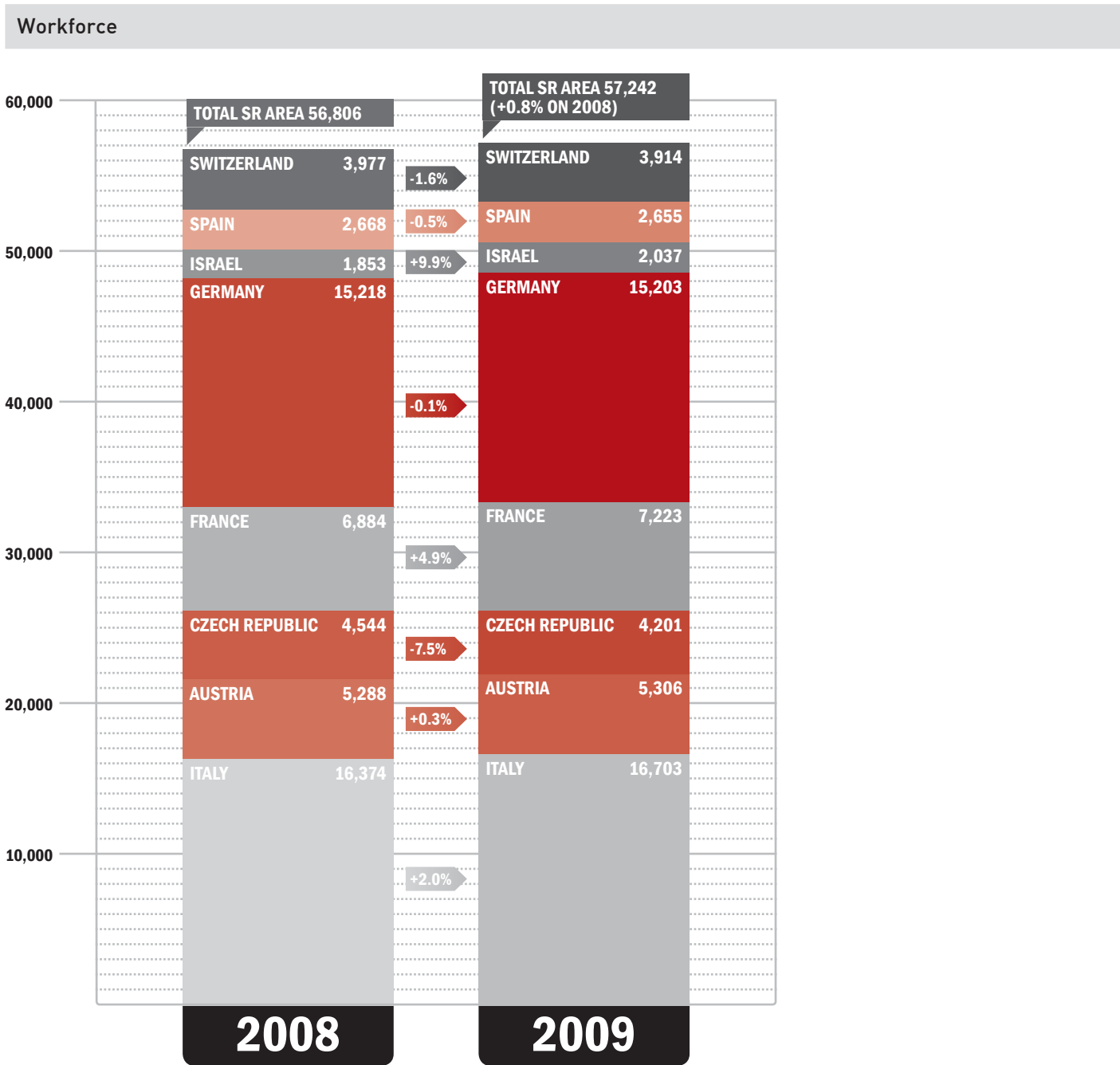
CHAPTER 2

# DIRECT STAKEHOLDERS



# EMPLOYEES

## Size and characteristics of the workforce



The overall number of employees in the Sustainability Report area rose by 436 (+0.8%), with different trends being recorded by individual countries:

- in Israel, in particular, employee numbers increased due to new recruits, as was also the case in France and Italy;
- employee numbers fell in the Czech Republic and Switzerland, where reorganisation is currently underway;
- employee numbers remained essentially stable in Austria and Germany, once the reorganisation process that had led to a decrease in the number of employees was completed, and in Spain.

## Workforce by level

	MANAGERS		MIDDLE MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	340	337	1,792	1,899	8,390	8,582	5,836	5,871	16	14	16,374	16,703
AUSTRIA	60	58	256	262	3,012	3,015	1,933	1,956	27	15	5,288	5,306
CZECH REP.	50	48	339	344	3,345	3,045	810	764	0	0	4,544	4,201
FRANCE	109	122	2,653	2,868	2,151	2,265	1,971	1,968	0	0	6,884	7,223
GERMANY	288	262	643	780	10,566	10,535	3,561	3,517	160	109	15,218	15,203
ISRAEL	52	51	173	182	1,628	1,804	0	0	0	0	1,853	2,037
SPAIN	79	75	354	373	1,354	1,325	871	873	10	9	2,668	2,655
SWITZERLAND	165	227	605	736	2,583	2,318	604	612	20	21	3,977	3,914
<b>TOTAL</b>	<b>1,143</b>	<b>1,180</b>	<b>6,815</b>	<b>7,444</b>	<b>33,029</b>	<b>32,889</b>	<b>15,586</b>	<b>15,561</b>	<b>233</b>	<b>168</b>	<b>56,806</b>	<b>57,242</b>
<b>INCIDENCE %</b>	<b>2.0%</b>	<b>2.1%</b>	<b>12.0%</b>	<b>13.0%</b>	<b>58.1%</b>	<b>57.4%</b>	<b>27.5%</b>	<b>27.2%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>100.0%</b>	<b>100.0%</b>

- There has been no significant change in the composition of the Group workforce by level as far as the percentage of individual employees is concerned.
- Of administrative staff, the number of middle managers and managers increased, while the number of employees fell (-0.4%), especially in Switzerland (-10.3%) and the Czech Republic (-9%), where reorganisation is currently underway. In these two countries overstaffing is managed through early retirement schemes, with the resulting positions generally being filled by existing employees rather than by new recruits. The decrease in the number of employees can also be attributed to internal promotions in line with professional growth, with many such promotions taking place in Switzerland in 2009, where the number of middle managers and managers rose significantly. On the other hand, the number of employees grew in Italy (+2.3%), in France (+5.3%) and especially in Israel (+10.8%), which are all countries with a growing workforce.
- The size of the sales force has remained essentially stable everywhere except Germany, where it fell slightly (-1.2%), and the Czech Republic, where the 5.7% decrease came as a result of the current reorganisation process.
- In France, the number of managers and middle managers (41.4%) remained significantly higher than the Group average (15.1%).
- In contrast, Germany, the Czech Republic and Israel in particular (almost 90%), had a significantly higher number of employees than the Group average.
- The Hay method was used to place staff at managerial levels. This method has been used by the Group for many years, and is based on an assessment of the position the staff member occupies. This helps to assess the workforce of different countries on an equal level and allows consistent comparison.

## Women by level

	MANAGERS		MIDDLE MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	36	35	362	377	4,293	4,444	2,037	2,102	5	4	6,733	6,962
AUSTRIA	2	3	58	59	1,577	1,585	258	256	5	4	1,900	1,907
CZECH REP.	8	5	146	144	2,162	1,943	734	695	0	2	3,050	2,787
FRANCE	29	32	1,347	1,469	1,503	1,571	357	380	0	0	3,236	3,452
GERMANY	26	30	121	158	5,704	5,758	650	638	89	37	6,590	6,621
ISRAEL	16	15	78	86	1,252	1,397	0	0	0	0	1,346	1,498
SPAIN	7	7	60	70	742	744	279	273	0	0	1,088	1,096
SWITZERLAND	10	22	134	193	1,449	1,376	22	26	4	4	1,619	1,621
<b>TOTAL</b>	<b>134</b>	<b>149</b>	<b>2,306</b>	<b>2,556</b>	<b>18,682</b>	<b>18,818</b>	<b>4,337</b>	<b>4,370</b>	<b>103</b>	<b>51</b>	<b>25,562</b>	<b>25,944</b>

- On average, women represent 45.3% of the Group's workforce. The only significant deviation from average figures can be seen in Austria on the one hand, where the percentage of female employees is just 35.9%, and in Israel and the Czech Republic, on the other, where women respectively represent 73.5% and 66.3% of the workforce.

- The number of women has increased at all levels, except in the other level; nevertheless, the vast majority of women (72.5%) continue to be employed in employees level, with a significantly higher concentration in Israel (93.3%), Germany (87%), Switzerland (84.9%) and Austria (83.1%).
- On average, just 31.4% (30.7% in 2008) of the positions of responsibility (managers and middle managers) are held by women. France is the only country where the situation differs significantly, where a slightly higher number of women than men (50.2%) are managers and middle managers; Israel follows with 43.3%. In contrast, less than 20% of the positions of responsibility in Italy, Austria, Germany and Spain are filled by women.
- The general increase in the number of women at higher levels includes 125 additional women managers and middle managers in France and 71 in Switzerland.

Within the employee category, the number of call centre staff has risen significantly (+37.7% compared to the previous year) to 3,531, equivalent to 6.2% of the overall workforce and to 10.7% of the level; the increase reflects the diffusion of a growing number of telephone customer services provided by Group companies (see the Clients chapter). Call centre staff represents an important share of the Group's workforce in Spain (around 31.6% or 63.3% of employees). Because of the specific nature of the service provided, call centres are an essential element, especially for Europ Assistance group companies.

In 2009, 12.1% of women employees were employed in call centres, where women represent the vast majority of employees (64.3%, in line with 2008 figures, peaking at almost 80% in Israel).

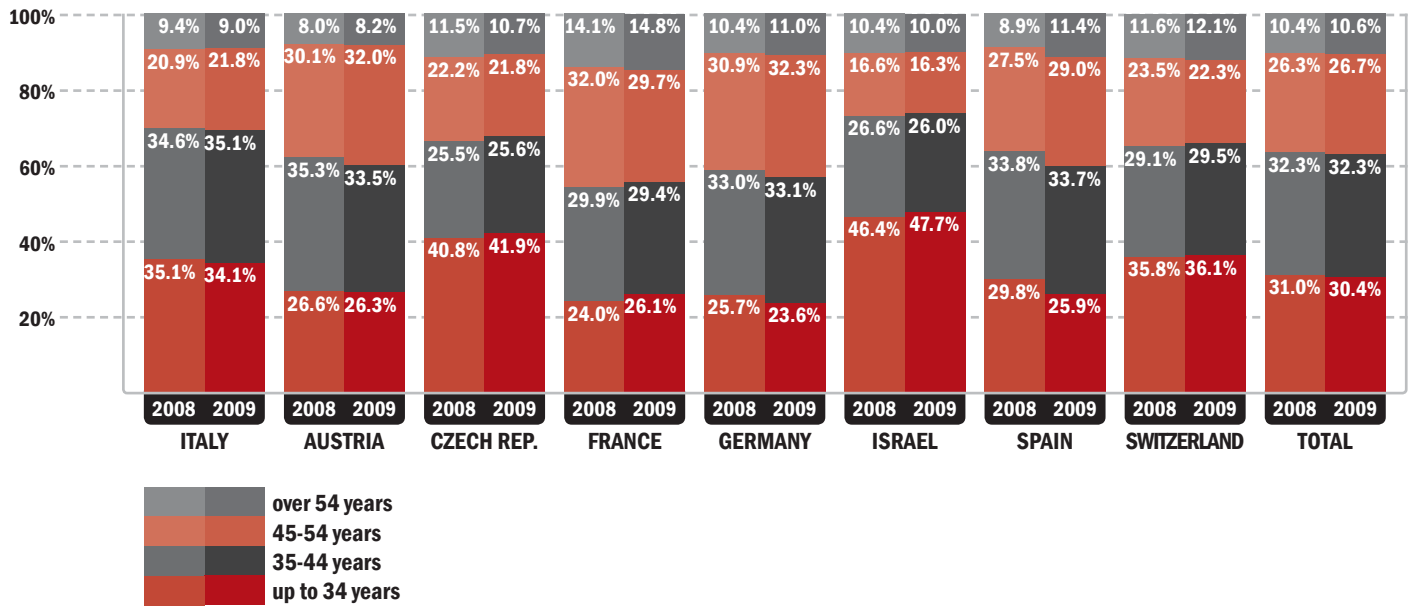
#### Workforce by type of contract

	FULL-TIME PERMANENT STAFF MEMBERS		FULL-TIME TEMPORARY STAFF MEMBERS		PART-TIME PERMANENT STAFF MEMBERS		PART-TIME TEMPORARY STAFF MEMBERS		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	14,401	14,624	402	452	1,232	1,291	339	336	16,374	16,703
AUSTRIA	4,726	4,727	3	5	556	573	3	1	5,288	5,306
CZECH REP.	3,681	3,427	685	619	152	138	26	17	4,544	4,201
FRANCE	5,859	5,974	354	533	669	713	2	3	6,884	7,223
GERMANY	12,679	12,579	317	191	2,171	2,366	51	67	15,218	15,203
ISRAEL	1,778	1,913	75	124	0	0	0	0	1,853	2,037
SPAIN	2,484	2,491	59	43	122	119	3	2	2,668	2,655
SWITZERLAND	3,452	3,315	22	22	448	559	55	18	3,977	3,914
<b>TOTAL</b>	<b>49,060</b>	<b>49,050</b>	<b>1,917</b>	<b>1,989</b>	<b>5,350</b>	<b>5,759</b>	<b>479</b>	<b>444</b>	<b>56,806</b>	<b>57,242</b>
<b>INCIDENCE %</b>	<b>86.4%</b>	<b>85.7%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>9.4%</b>	<b>10.0%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>100.0%</b>	<b>100.0%</b>

- 95.8% of the workforce in the Sustainability Report area have permanent contracts, a percentage that nears 100% in Austria.
- Part time workers number 6,203, equivalent to 10.8% of the total. Germany is one of the countries with the highest number of part-time workers (16%), followed by Switzerland (14.7%) and Austria (10.8%). The lowest percentage can be seen in the Czech Republic (3.7%), while there are no part-time contracts in Israel.
- Women are much more likely to work part-time, as they are more involved with running and caring for the family: in 2009 around 89% of part-time workers were women. On average, the number of women with part-time contracts, at around 20%, is almost double the percentage for the overall workforce (10.8%); significant deviations from the average were primarily seen in Germany (31.9%) and Spain (8.5%).
- Group companies also employ temporary agency staff, for limited periods of time, through fixed contracts or project contracts when work is at its peak, for special projects or to cover employee absence (e.g. maternity leave or sick leave, etc.). In 2009, a total of 1,446 temporary agency workers were employed (2.5% of the workforce), 1,000 in Germany and 306 in France plus 96 project workers (0.2%), and 85 in Italy.
- Overall, workers with temporary, interim and project contracts represent 6.9% of the Group's workforce.

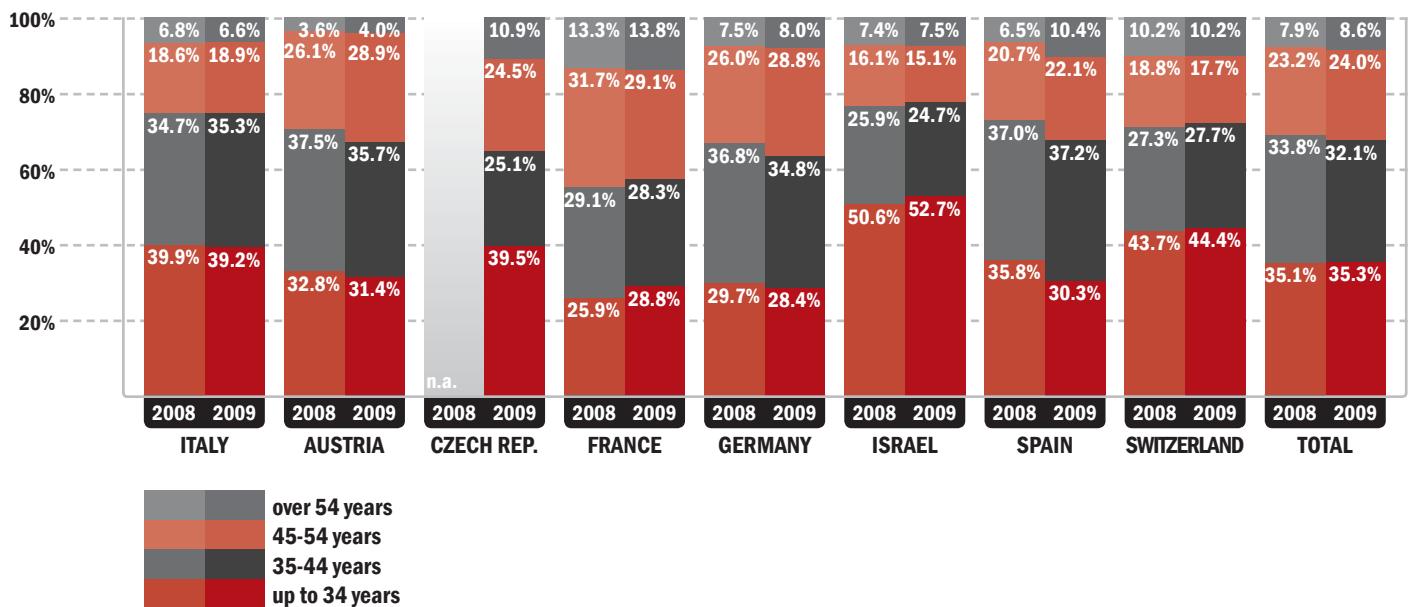
The number of graduate and post-graduate employees continues to increase, in line with company policy: in Italy, for example, only graduates are normally hired. In the Sustainability Report area almost 29% of employees are graduates, rising to particularly high percentages in Israel (65%), Spain (41.9%) and France (40%), and a low percentage in Austria (10.9%).

## Workforce by age bracket



- At the end of 2009, there has been no significant change in the composition of the workforce by age bracket compared to the previous year. The largest age bracket is that of workers between the ages of 35 and 44 (32.3%) with 62.7% of employees under the age of 45. The over 54 age bracket, equivalent to 10.6% of the total workforce, has the lowest number of employees.
- Israel and the Czech Republic have the highest percentage of staff under the age of 35, at 47.7% and 41.9% respectively. Italy also has a young workforce: as a consequence of retirement in the last few years, 69.2% of workers are under the age of 45.
- In contrast, France has the highest number of older staff: accounting for 14.8% of the workforce at the end of 2009.
- The average age of employees is around 41.

## Women workforce by age bracket



- The largest age bracket - into which more than a third of women fall, with 52.7% in Israel and 44.4% in Switzerland - is the under 34 age bracket. On average, two out of three women are under 45.
- The youngest age bracket consists primarily of women (52.5%), while only 36.6% of over 55's are women.

## Turnover

	2007	2008	2009			STAFF MEMBERS AS AT 31.12.09
	STAFF MEMBERS AS AT 31.12.07	STAFF MEMBERS AS AT 31.12.08	RECRUITMENTS	TERMINATIONS	CHANGE	
ITALY	16,082	16,374	2,581	2,252	329	16,703
OF WHICH WOMEN	6,571	6,733	1,387	1,158	229	6,962
AUSTRIA	5,493	5,288	378	360	18	5,306
OF WHICH WOMEN	1,923	1,900	123	116	7	1,907
CZECH REPUBLIC	n.a.	4,544	678	1,021	-343	4,201
OF WHICH WOMEN	n.a.	3,050	458	721	-263	2,787
FRANCE	6,926	6,884	1,186	847	339	7,223
OF WHICH WOMEN	3,263	3,236	642	426	216	3,452
GERMANY	15,706	15,218	1,637	1,652	-15	15,203
OF WHICH WOMEN	6,657	6,590	638	607	31	6,621
ISRAEL	1,634	1,853	474	290	184	2,037
OF WHICH WOMEN	1,175	1,346	383	231	152	1,498
SPAIN	2,539	2,668	215	228	-13	2,655
OF WHICH WOMEN	1,021	1,088	97	89	8	1,096
SWITZERLAND	3,117	3,977	389	452	-63	3,914
OF WHICH WOMEN	1,330	1,619	192	190	2	1,621
TOTAL	51,497	56,806	7,538	7,102	436	57,242
OF WHICH WOMEN	21,940	25,562	3,920	3,538	382	25,944

- Staff turnover is fairly high since the figures include the hiring and termination of workers with temporary contracts.
- On average, there are no essential differences in terms of the involvement of men and women in staff turnover. In 2009, 52% of the new recruits and 49.8% of the terminations are related to women.
- In 2009, the overall staff turnover rate, calculated as  $(\text{recruitment} + \text{termination}) / \text{average workforce} \times 100$ , is 0.3.

## Number of terminations by age bracket and gender

	MEN				WOMEN				TOTAL
	UP TO 34 YEARS	34- 54 YEARS	OVER 54 YEARS	TOTAL	UP TO 34 YEARS	34- 54 YEARS	OVER 54 YEARS	TOTAL	
ITALY	355	154	216	725	283	92	104	479	1,204
AUSTRIA	5	13	44	62	3	4	17	24	86
CZECH REP.	64	64	38	166	191	145	83	419	585
FRANCE	24	41	53	118	14	23	53	90	208
GERMANY	57	77	80	214	26	51	48	125	339
ISRAEL	27	10	5	42	100	36	2	138	180
SPAIN	16	19	12	47	5	7	1	13	60
SWITZERLAND	91	70	54	215	100	33	25	158	373
TOTAL	639	448	502	1,589	722	391	333	1,446	3,035

- In 2009, terminations due to retirement, resignations or death of permanent employees numbered 3,035 - equivalent to 5.3% of the workforce - and primarily related to men (52.4% of the total).
- The age bracket most affected by terminations was the younger age bracket, representing 44.8% of the workforce; other terminations were more or less evenly distributed over the remaining age brackets.

The **negative staff turnover rate**, calculated as the total number of terminations in 2009 over the overall workforce at the year end was determined in relation to gender, the different age brackets and by country, with the following results:

- a rate of 5.1% for men and 5.6% for women;



- 2.4% for staff aged 34 and under, and 1.5% for employees between 35 and 54 and for those over the age of 54;
- the rate is 7.2% in Italy, 1.6% in Austria, 2.9% in France, 2.2% in Germany, 8.8% in Israel, 13.9% in the Czech Republic, 2.3% in Spain and 9.5% in Switzerland.

## Workforce by seniority of service

	< 2 YEARS		2-10 YEARS		10-20 YEARS		>20 YEARS		TOTAL		AVERAGE LENGTH OF SERVICE	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	4,075	3,598	5,747	6,483	3,520	3,597	3,032	3,025	16,374	16,703	11.0	11.0
AUSTRIA	750	787	1,399	1,282	1,613	1,624	1,526	1,613	5,288	5,306	14.2	14.5
CZECH REP.	1,469	1,013	1,271	1,776	362	1,023	1,442	389	4,544	4,201	8.8	8.8
FRANCE	1,045	1,336	2,092	2,068	1,649	1,663	2,098	2,156	6,884	7,223	14.6	15.2
GERMANY	2,361	2,061	5,369	5,268	4,400	4,603	3,088	3,271	15,218	15,203	11.9	13.1
ISRAEL	700	651	650	832	316	342	187	212	1,853	2,037	7.7	7.8
SPAIN	596	417	786	909	686	591	600	738	2,668	2,655	12.8	13.5
SWITZERLAND	1,121	846	1,627	1,755	696	720	533	593	3,977	3,914	8.9	9.4
<b>TOTAL</b>	<b>12,117</b>	<b>10,709</b>	<b>18,941</b>	<b>20,373</b>	<b>13,242</b>	<b>14,163</b>	<b>12,506</b>	<b>11,997</b>	<b>56,806</b>	<b>57,242</b>		
<b>INCIDENCE %</b>	<b>21.3%</b>	<b>18.7%</b>	<b>33.4%</b>	<b>35.6%</b>	<b>23.3%</b>	<b>24.7%</b>	<b>22.0%</b>	<b>21.0%</b>	<b>100.0%</b>	<b>100.0%</b>		

- Staff loyalty is high: indeed, 45.7% of employees have worked with the Group for over ten years with 21% having worked for the Group for over twenty years. Austrian workers stand out for their extended seniority of service, with 61% having more than ten years' service and 30.4% having more than twenty years' service. France, Germany and Spain also have high seniority of service, with more than 50% of the workforce have been with the Group for more than ten years.
- Countries with the lowest levels of seniority of service are those countries with expanding workforces: employees who have worked with the Group for less than 10 years make up 72.8% of the workforce in Israel and more than 66% of the workforce in the Czech Republic and in Switzerland.

## Employees policies

Group human resources policies, which are the responsibility of the Managing Director, are characterised by:

- staff focus and commitment to offering opportunities for personal and professional growth, by enhancing skills and expertise and developing staff potential;
- placing trust in young people who are open to learning and keen to progress, by assigning them duties with increasing levels of responsibility;
- compliance with values and protection of rights.

Workers' basic rights are defined in the Group **Ethical Code**. Staff members are employed under a standard contract of employment and undeclared employment, exploitation, forced labour and child labour are not tolerated in any form. Members of staff receive clear, detailed information on regulatory and salary aspects when they enter into a contract of employment and throughout their employment. Moreover, staff members are given guidance on the nature of their role to enable them to adequately perform it.

The **European Social Charter**, prepared in collaboration with the European Works Council, which we will discuss in greater detail later in this chapter, defines the basic rights of workers and the development objectives with regard to the protection of human resources and Group worker representation.

Nearly all Group companies have **Internal Regulations** (or Codes of Conduct) that define the rights and responsibilities of staff members and the rules of conduct and disciplinary measures in place in the event of non-compliance or breach of the agreements.

Banks also have similar Codes, which, in addition to governing relations with the company and the Generali Group, also govern client, investor and media relations, drawing on principles of ethics, quality and transparency, with the aim of maintaining high standards of integrity and professionalism in all bank business.

## Selection and recruitment policies

The human factor, as mentioned above, is the Group's key resource. The Group is therefore committed to recruiting and retaining particularly well qualified members of staff.

The selection process is based on the principles of fairness and impartiality: candidates are only assessed in the pursuit of corporate interests.

Candidates for vacancies are primarily sought within the Group itself. Staff can apply through job postings or Human Resources Departments may headhunt candidates directly.

If it becomes necessary to look outside the Group, applicants who have completed internships within the Group or who have contacted the company by post or via the company website are considered first of all, as are those candidates nominated by universities or postgraduate institutions.

In some countries, employment agencies are contacted and positions are advertised in the press and on insurance and financial websites, especially where management positions or sector experts are concerned.

The Italian group's Recruitment and Selection Department continues to operate in line with its objective of defining and standardising policies and criteria for the selection, recruitment and hiring of key resources in line with Group values, increasing the number of staff and improving its professional quality and profile. In particular:

- the Human Resources Department consolidated its role for the external search and selection of candidates for management positions in Italian companies;
- the Selection Network, an inter-company work group currently comprising 30 staff members from various Human Resources areas, developed a new standard Group recruitment process for university graduates and for people with less than three years of work experience. The process includes a half-day assessment consisting of individual and group aptitude tests, in addition to a final individual interview with Network recruitment specialists, without the involvement of external consultants.

This same approach is utilised in the major European countries where the Group has operations.

Ideally, candidates should have a good university degree and/or consolidated experience in the sector and good knowledge of at least one foreign language, good problem solving abilities, be service oriented, flexible and able to work as part of a team and have leadership skills. An industry-related master's degree is the preferred qualification for top positions.

In order to meet and attract young people to support Employer Branding, in the various countries within the Sustainability Report area, the Group:

- participates in Career Days, company presentations and Recruitment Days, where it has the opportunity to illustrate work and professional development opportunities in the various companies and on an international scale;
- sponsors initiatives and collaborates with universities and entities that organise post graduate Master's degrees in economic/financial and legal subjects;
- devises suitable professional development plans for specific work positions (e.g. actuaries, analysts and the sales force).

Staff training programmes are arranged for new recruits, initially to promote company integration and business know-how and, later to develop their potential, expertises and leadership skills.

The key factors that attract young, talented people to work for the Generali Group include: financial incentives, additional benefits, reputation, ethics and culture, innovation, creativity, policies for balancing professional and family life, international mobility, dynamic growth through education, career opportunities, clear objectives, work safety and a positive working environment.

## Salary and incentive policies

Group-wide, salaries for non-management positions are linked to current Collective Bargaining Agreements and supplementary agreements in each country. Each company also offers full-time and part-time staff with permanent contracts of employment, benefits and additional incentive programmes on a meritocratic basis to enhance staff performance and achievement of specific goals.

The general policy is to bring salary levels for the specific positions and levels of responsibility in line with those of the local salary markets.

Top management and middle management salaries are calculated in accordance with the Hay method, which attributes a score and allows salary policies to be calculated on the basis of internal equity requirements and compared against the market as a whole.

Higher managers periodically issue the results of their assessment of the achievements of their managerial staff using the following parameters: work performance (in terms of quality and quantity output, commitment, timekeeping and behaviour); the development of knowledge and skills; professional development, including collecting comments and suggestions to identify professional goals and future training opportunities.

Generali Group has adopted an incentive system that assigns personal objectives to managers under the Balanced Scorecard method, the variable portion of managerial salaries is generally based on the MBO (Management by Objectives) system. There are currently no incentives on achieving social or environmental targets.

The individual remuneration, motivation and employee evaluation processes adopted are listed below.

### Human resource assessment processes

Country	Assessment methods
Italy	Management as a whole (managers and middle managers) is involved in a Group-wide competency development process which, in its initial stages, uses a structured method (assessment centre or 360° multirater feedback) to measure competency. The measurement stage marks the start of a broader process that leads to the identification of individual personal development plans for the people involved (micro tactics, training, coaching, organizational opportunities, etc.).
Austria	All staff members, except the sales force, undergo an assessment interview focusing on: comments, information on future duties, definition of qualification measures and manager-employee cooperation. The variable portion of managerial salaries is based on the MBO system and is linked to meeting financial targets.
France	The national agreement requires every member of staff to be classified under one of the seven salary levels, established by means of annual interviews on the basis of five criteria: training and experience, problem identification and problem solving skills, interpersonal relations, autonomy and significance of contributions made.
Germany	Virtually all employees are assessed on an annual basis. For managers, annual assessments are based on performance and on individual development potential, while executive personnel take part in an assessment interview with their line managers focusing on their competency profile and on individual development planning.
Israel	All employees are assessed through a 360° multirater feedback process, which is based on observing behaviour and on self-assessment, and line manager assessment and assessment by colleagues and/or employees. For the purposes of data collection, the employee may compare his/her assessment with those made by others. The final step is an interview with a line manager, with the objective of creating dialogue to improve performance and identify any training needs. A management review also came into effect in 2010, which identifies staff with growth potential suitable for managerial roles within the company to ensure management turnover.
Spain	The MBO system is applied to senior and middle managers, based on the results achieved by the Company and personal objectives, while the performance assessment system is used for other workers.
Switzerland	The basic benchmark for the progression of insurance staff is the Model of Expertise, which measures the skills required for the position in question against the candidate's existing skills, in an attempt to bridge the gap. All staff members are subject to annual performance and career development assessments. BSI has a process in place for defining and assessing individual objectives. A team assesses whether each member of staff has achieved the objectives set by his/her line manager at the beginning of the year as well as their personal skills and professional expertise. Assessment results are used to define training plans and for promotions and bonuses.
The Czech Republic	All employees are subject to annual performance assessments. Fulfilling expectations and achieving company objectives is essential for career development.

In 2009, in the Sustainability Report area, on average the regular performance and career development reviews were conducted for **65.7%** of the Group employees; the percentage rose to 100% in Israel, the Czech Republic and Switzerland and dropped significantly in Spain (44%) and Italy in particular (17.8%).

On average the range of the ratios of standard entry level wage compared to local minimum wage is 132.1%.

In all countries/companies in which the Group operates, the basic entry salary for each category of worker is the same for both men and women (i.e. the basic entry salary ratio for men/women equal to 1).

### Stock options

Long-term incentives for managerial staff consist of stock option plans for Parent Company shares.

In the last few years, Assicurazioni Generali has introduced separate stock option plans for the Chairman and Managing Directors of the Company and for Group managers.

For information on stock option plans and management salaries, please refer to the Generali Group's Consolidated Financial statements, available at [www.generali.com](http://www.generali.com).

### Benefits

Group company salary packages include a number of **benefits**; these are deemed to be a primary factor in encouraging the active participation of full-time and part-time permanent employees, and fall into one of the following four categories:

**Supplementary retirement scheme** - Each country in the Sustainability Report area has supplementary retirement schemes for its employees, usually consisting of local pension funds that are part-financed by company contributions and part-financed by voluntary employee contributions. The guaranteed benefits, which staff members subscribing to the fund are entitled to receive on retirement, may be in the form of a lump sum, an annual income or a combination of the two. There are also defined retirement plans, primarily in Austria, Germany, Switzerland and Italy, which in the latter primarily relate to post-employment benefits accumulated prior to 1 January 2007 as well as defined contribution plans. The level of employer contribution generally varies depending on the salary level (for example, in Italy, employer contributions range from a minimum of 4.6% of the salary for employees to a maximum of 13% for managers) and, in some cases, on seniority of service, while employees can select a level of contribution from a range of contribution levels (for instance in Italy this can range from 0.75% to 6%). Details on the defined benefit contributions to Group employees are reported in the 2009 Consolidated Financial statements's Notes.

**Healthcare** - The Group has set up a series of insurance benefits so that its staff members and their families have access to quality healthcare at little or no cost.

In Italy, the Group bears the cost, through the Healthcare Fund, of a number of insurance benefits that are available to all employees with at least 12 months' service. The fund covers all accidents in the workplace; hospital admissions due to illness, accident, surgery, childbirth and personal care; death and permanent disability during the period of employment; major surgery (also reimbursing the cost of diagnostic tests, medicines and surgical treatment). Free Health Group Insurance provides employees and their families with cover for hospitalization and surgical costs incurred while travelling in any country in the world. The healthcare cover for orthodontic treatment, consultant visits, diagnostic tests, healthcare and outpatient services is particularly significant, and it is extended to both employees and their families. Moreover, for all employees covered by the Collective Bargaining Agreement for the insurance sector, the Group bears the cost of personal care and insurance against the risk of staff members losing self-sufficiency (with cover extending into retirement), which is managed by the Long Term Care Fund on a national level.

In France and Switzerland, the Group bears the cost of additional health cover for all its employees; however, in Israel, the Czech Republic and Spain, such cover is only provided to managerial staff and is free of charge. In Israel all employees are offered the opportunity of joining a collective healthcare policy against the payment of a premium. In Spain, the Collective Bargaining Agreement gives employees the opportunity of receiving a special loan in the event of a serious illness and, if a family member should become ill, it grants a period of paid leave of absence. In addition, a sum is set aside each year to cover situations requiring particular protection or support, such as serious illness in the employee's family.

**Other benefits for employees and their families** - Employees may be offered other benefits, which are extended to their family members, depending on the company they work for and on their salary level. In general, employees benefit from discounts and/or favourable contractual terms on a number of life and non-life policies and banking products; moreover, they have access to subsidised loans and/or mortgages from Group or partner companies for the purchase, renovation or construction of their own homes or for the purchase of a vehicle. Depending on the company they work



for and on the country they live in, employees may also be entitled to benefits such as canteen or luncheon vouchers, free tax advice, study grants for children and relocation costs (in the event of transfer). To improve language skills, many companies offer their employees subsidised language courses.

To foster loyalty among employees, German companies pay out one-off cash sums and award additional paid holidays on reaching a certain number of years of service (25, 40, 50 years), in addition to awarding an extra monthly allowance after 10 years of service. In Italy, employees are also rewarded after 20 or more years of service.

**Social and cultural activities** - The Group promotes a sense of belonging, both professionally and outside business hours through Corporate Groups that encourage sports and that cater to the social and cultural needs of its employees. The Group organises parties and similar events, especially during the Christmas season, and delivers gifts, which in many cases inspire initiatives to help those who are less fortunate (see the Community chapter).

In some countries there is also a focus on **retired colleagues**:

- in Italy, the Parent Company supports the Senior Company Staff Group consisting of more than 3,500 retired employees and the spouses of former and current employees with over 20 years' service. The Senior Group organises social and cultural activities and trips for members and provides assistance to those in need. The annual Seniors' Party is a key event and is attended by the Top Management;
- in Austria, the Silberlöwenclub Association comprises of retired Group employees and organises cultural and leisure events;
- in Switzerland, retired BSI employees can participate in numerous activities organised by the bank's cultural and sports group.

In France, the most important cultural initiatives for employees include collaboration with the Université de Tous les Savoirs, which offers employees the opportunity to attend conferences with top speakers in the university, economic and social fields, and the continuation of the Le pauses sourires initiatives, which was awarded the Argus d'or in 2005, and which organises a number of activities (exhibitions, guided tours, conferences, etc.) at the Saint-Denis site.

## Equal opportunities

The Group values its employees and recognises the contributions that each staff member can make to the organisation. Its focus and commitment to its workforce - viewed as the strategic capital on which the Group bases its success - respect for human dignity, freedom, equality, equal opportunity in the workplace and in career paths, **with no form of discrimination** on the basis of gender, ethnic origin, language, disability, etc., are explicitly laid down in the Ethical Code and are universally acknowledged by all Group employees.

In particular, Generali Group corporate contracts include examples of rules for the equal treatment of **men and women** in the selection, training, promotion and remuneration process, which were often implemented prior to the application of European and national legislation.

The Group applies the applicable national equal opportunity and non-discrimination legislation in all countries in the Sustainability Report area as well as the specific regulations as set out in the national collective bargaining agreements for the insurance industry in certain countries.

The below table shows the situation in the various countries and also lists some of the initiatives that are currently underway.

Country	Equal opportunity policies for men and women
Italy	The Equal Opportunities Committee continued with its analysis of the data contained in the periodic reports on male and female staff. An investigation survey was also conducted to highlight and amend contractual and/or legal provisions on equal opportunities, the results of which were published in a final summary document.
Austria	All processes relating to staff members selection, recruitment, employment, training, remuneration, etc. comply with the national law (2004) on equal opportunities for men and women.



Country	Equal opportunity policies for men and women
France	<p>An equal opportunities trade union agreement was entered into in 2009, which applies to all Group employees. The agreement describes the fundamental principles of professional equality between men and women, especially on issues such as remuneration, recruitment, mobility, career development and the balancing of family and professional life. The agreement envisages the establishment of an Equal Opportunities Committee and a monitoring system.</p> <p>The agreement expands on a previous agreement in effect since 2006 and aims to create an integrated policy that covers all aspects that were previously dealt with individually: people with disabilities, equality among men and women, work placement of young people, career development, etc..</p>
Germany	<p>Each company has an Ombudsman, who monitors application of equal opportunities legislation (which came into force in August 2006) and takes all necessary measures in the event of violation thereof, and a compliance department, which deals with breaches of the Code of Conduct. All staff members were informed by letter, e-mail and articles published on the corporate Intranet on the legal provisions and the rules of conduct to adopt and receive adequate training on the issue.</p>
Israel	<p>The company applies current regulations protecting the right of women to equal opportunities in the workplace.</p>
Spain	<p>In 2009 the Equality Gender Plan agreement was entered into with the trade unions, which introduced measures to ensure equal treatment and equal opportunities for men and women, and to prevent instances of discrimination.</p> <p>An Equal Opportunity Committee was created and a new figure was introduced, who is responsible for ensuring implementation of the agreement.</p> <p>An Intranet platform called Equality Space was also set up for employees.</p>
Switzerland	<p>Companies apply national equal opportunity and professional equality legislation; employee regulations also prohibit any type of discrimination. The Human Resources Committee is responsible for ensuring that these regulations are observed, and is also responsible for intervening in the event of a breach.</p>

The above workforce characteristics reveal that there are more women in the up to 34 age bracket (52.5% of the total), an indication that there is no discrimination among new recruits. The percentage of women in the overall workforce has grown steadily in recent years, rising from 40% in 2004 to 45.3% in 2009. This is one reason why there are more women employees in the administrative area, where new staff has been hired. Women continue to form a majority in call centres, however the number of women holding positions of responsibility has also grown slightly: in 2009, the number of women managers or middle managers rose by 265, equivalent to 40% of the total recorded in the two levels.

The workforce in each country almost entirely consists of local staff, as Generali has always valued the contribution of the local community in terms of market knowledge and business development.

Employees of all **nationalities** are offered equal professional growth and personal career opportunities, thanks in part to a policy that promotes and implements intragroup mobility at a national and international level. On average, over 97% of the managers are local, while the remaining 3% are foreign, but not all are from the Parent Company.

All Group companies in the Sustainability Report area comply with the laws to protect equal opportunities for **disabled** people in social as well as professional fields. These laws, which regulate recruitment and provide protection in the workplace, vary from country to country; it has not therefore been possible to provide data on a comparable basis. In particular, the definition of disabled, expressed as a percentage reduction in the professional ability that is required in order to be classified within the category and the level of disability qualifying the person for protection for recruitment purposes, varies from country to country. In application of the regulations in force in each country for the recruitment of disabled people, Group companies employed 1,514 disabled people in 2009.

Most company premises have been adapted to enable disabled users to carry out their duties. Such adaptations include accessible bathrooms, sliding doors, lifts and work stations with large computer monitors and special equipment for the deaf and dumb, and for the blind. Restructuring work to remove architectural barriers is in plan for those premises that do not as yet provide access for the disabled. Some companies also provide parking for the disabled in the immediate vicinity of the building.

In France in 2008, Generali entered into an agreement with DDTEFP - Direction Departmentale du Travail, de Emploi et de la Formation Professionnelle, a body which reports to the Ministry of Social Affairs and which aims to strengthen initiatives in favour of its employees with disabilities.

## Policies work-family balance

Group companies generally offer flexible working hours to accommodate the staff to balance work with family and personal demands, varying in duration on the basis of the national contracts in place in the various countries: the working week varies from 35 hours in France to 42.5 in Israel.

In Italy and the majority of countries, flexible start and finish times and lunchtimes are generally offered. Some companies impose no restrictions on what time staff members arrive at or leave work, such as in Austria, where the law sets a limit of 10 working hours per day, and in Switzerland, where staff members negotiate their working hours with the Head of Department in compliance with the law. In France, employees have several options, involving flexible combinations of workdays and holidays. Any hours worked in excess of the legal limit of 35 hours per a week can be offset as paid time off. In Germany and the Czech Republic, working hours are flexible to meet the needs of young families.

Europ Assistance companies provide policyholders with service 24 hours a day, 7 days a week. Working hours are thus divided into shifts of around 8 hours a day, 5 days a week. Similarly, some Group call centres that are open until 10pm, work on several shifts.

Vertical and horizontal **part-time** work contracts are available in all countries/companies of the Sustainability Report area except Israel. On the whole, working hours are reduced by 50%, but lesser or greater reductions are often possible, varying between a maximum of 80% (in France) and a minimum of 20% (in Switzerland). Staff members are normally granted part-time contracts for family reasons, such as the need to provide care for close relatives (parents, children, spouse or other members of the household) who are ill or disabled, or to take care of children under 16, or for serious personal reasons. In France, workers over 55 years of age are encouraged to work on a part time basis, in preparation for retirement. In Germany, a similar contractual provision is in place for older workers. Whether a staff member is granted a part time contract depends on whether this is compatible with the company's technical, organizational and production needs. Where it is not possible, employees may however be granted reduced working hours if they are willing to consider equivalent responsibilities or transfer to a different department within the same company. An option to return to full-time work (part-time reversible) is often available, though normally within a period of time that is limited to a certain number of years, after which the company may still decide to accept the request.

As mentioned, part-time work is mainly a preference for women (about 89% of the total), reflecting women's greater involvement in care and management of the family.

To make it easier to balance work and family, a higher number of initiatives for employees with young children have been introduced. In Italy, following an opinion survey conducted in 2008 among Group employees, which highlighted a strong interest in the creation of a **company nursery** in Mogliano Veneto and Trieste. Both will be operational from September 2010 and will cater to 40 and 28 children respectively between the ages of 3 months and 3 years. Priority will be given to the children of employees, while any remaining places will be made available to the local community. In anticipation of the nursery openings, people can now register their child's place. Nursery visits have also been arranged as have meetings to outline the education method to be provided by qualified, experienced partners who will be appointed to manage the nurseries.

In Austria and Germany, the Group also adopts "family-friendly" policies and, in Germany, some companies have been awarded the Audit Beruf und Familie certificate (Work and Family certificate), a quality mark awarded by the non-profit organisation Hertie, sponsored by the Federal Ministry of Family Affairs, to companies employing efficient and outstanding measures towards balancing work and family life. In particular, to help collaborators with small children balance work and family demands in Monaco, Generali employees have access to a nursery, facilities that provide assistance to children and families, babysitting services for emergencies and a Kindergarten as well as different levels of subsidies are awarded according to the employees salary.

In Switzerland, the Adliswil and Nyon offices have internal nurseries.

All Group employees are entitled to **paid leave of absence** as provided by the law, Collective Bargaining Agreements and company-based agreements. The treatment offered by most Group companies - though this varies from country to country - is generally more favourable than the minimum requirements established by the law or by national collective contracts for certain types of absence, such as: marriage, family bereavement, pregnancy, maternity/paternity leave,

sickness and children's birthdays, medical appointments and treatment, study, providing care for disabled family members and donating blood. Where company organisational requirements permit, and in order to further promote flexibility, employees are generally entitled to take **days or partial days leave** that can either count as **paid time off**, or they can make the **hours up**, helping combine work with daily personal and family commitments. In particular, the number of hours due for paid time off is doubled for employees with disabilities and for those with children under three years of age or with serious handicaps (in the Czech Republic, this entitlement continues until the disabled child has reached the age of 26), without prejudice to the provisions of current legislation on time off for people with disabilities and their carers. Unpaid leave of absence is granted for serious personal or family reasons for a period of no more than twelve months.

## Absenteeism rate

	HOLIDAYS		PAID LEAVE		UNPAID LEAVE		ILLNESS AND ACCIDENT		MATERNITY LEAVE		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	8.01%	9.04%	0.56%	0.58%	0.25%	0.24%	2.99%	4.31%	1.58%	1.20%	13.39%	15.36%
AUSTRIA	11.95%	12.62%	0.31%	0.32%	0.03%	0.06%	3.80%	3.75%	1.96%	1.75%	18.05%	18.50%
CZECH REP.	9.71%	9.77%	0.61%	0.70%	0.08%	0.08%	4.30%	3.73%	3.00%	3.31%	17.69%	17.58%
FRANCE	7.98%	8.29%	0.30%	0.28%	0.00%	0.00%	3.84%	3.85%	0.76%	0.69%	12.87%	13.10%
GERMANY	11.33%	9.82%	1.05%	1.01%	0.05%	0.10%	5.87%	4.93%	0.38%	0.29%	18.68%	16.16%
ISRAEL	7.60%	8.36%	0.11%	0.12%	1.39%	2.35%	4.32%	3.68%	2.82%	3.84%	16.24%	18.34%
SPAIN	11.56%	11.47%	1.34%	1.25%	0.02%	0.02%	3.86%	3.57%	0.72%	0.63%	17.49%	16.95%
SWITZERLAND	8.37%	8.50%	0.84%	0.89%	0.13%	0.15%	2.44%	2.39%	0.38%	0.43%	12.16%	12.36%
<b>TOTAL</b>	<b>9.62%</b>	<b>9.63%</b>	<b>0.67%</b>	<b>0.66%</b>	<b>0.15%</b>	<b>0.20%</b>	<b>4.17%</b>	<b>4.22%</b>	<b>1.27%</b>	<b>1.14%</b>	<b>15.88%</b>	<b>15.86%</b>

- The absenteeism rate is calculated as the ratio between the number of days' absence (total absence or by the various identified causes) and the number of working days in the year (excluding Saturdays, Sundays and public holidays) multiplied by the number of employees at the end of the year.
- Overall, the absenteeism rate remained substantially stable at 15.8% in the 2008-2009 period, rising to 18% in Austria and Israel.
- The leading cause of absence from work is holiday leave. In the majority of countries, employees are entitled to 25 days' holiday each year, rising to 30 in the case of a 6-day working week. In Israel, where the law allows 9 days' holiday a year, the Company initially grants 10 days' of holidays, with yearly increments to a maximum of 20 days' holiday per year.
- The absenteeism rate for maternity, reflects the proportion of women in the workforce and the distribution of this age bracket and is also influenced by the national legislation in the various countries, where there are different compulsory periods of maternity leave ranging from 14 weeks in Germany, Israel and Switzerland to 28 weeks in the Czech Republic (rising to 37 after the second child).

## Health and Safety in the workplace

The Group considers the physical integrity of its staff members to be a key value. To protect it, it guarantees working conditions with consideration for the dignity of the individual in terms of workplace health and safety, in compliance with current health and safety regulations.

All countries in the Sustainability Report area except the Czech Republic, have a Health and Safety committee which monitors and manages issues relating to the **prevention of risks and health and safety in the workplace**. 58% of the Group workforce is represented in formal joint management-worker health and safety committees. A breakdown by country is provided in the following table:



## Health and safety structures

Country	Structures and duties
<b>Italy</b>	<p>The Group Risk Prevention Department is responsible for guaranteeing and improving the health and safety of workers, and comprises 11 trained employees from different Group offices.</p> <p>Since 2009, sixteen “worker safety representatives” have been elected to represent 100% of the staff.</p> <p>When the new Management offices of INA Assitalia, FATA Assicurazioni and Banca Generali were established, all current health and safety in the workplace regulations were adopted, with standardized workspace and workplace comfort models. The air-conditioning system at GGI in Trieste was upgraded to improve the microclimate and air distribution.</p> <p>All Group premises have an emergency response team, comprising a certain number of trained volunteers, who are provided with medical kits or packages. During working hours, there is a first-aid service at the Mogliano Veneto headquarters with an emergency duty doctor, and in Trieste, there is a duty health provider and, at certain times of the day, a professional nurse. Both services have a defibrillator. A private first-aid service is provided in Rome by Medital - a company in the Europ Assistance group - which has a well-equipped ambulance with a doctor and nurse on board.</p>
<b>Austria</b>	<p>A Committee, comprising two safety experts and nine doctors, is responsible for the safety of all employees. The Committee conducts annual safety checks at all Group companies. Each Company has a safety Committee, which drafts safety protocols, which are subject to Government Agency checks.</p>
<b>France</b>	<p>In accordance with national legislation there is also a Health Department, composed of eight people, including two doctors and five nurses. Its purpose is to monitor employee health and implement preventive health measures.</p>
<b>Germany</b>	<p>A Health and Safety Committee comprising experts, a company doctor, workers’ representatives and a company representative is in place in compliance with the law. The Committee assesses working conditions and social/health services. It ensures that safety regulations are observed and supports and motivates workers to adhere to such regulations while adopting measures to prevent accidents in the workplace.</p>
<b>Israel</b>	<p>In accordance with the law, a Safety Committee - comprising of three managers - provides information and supervision on safety in the workplace, including preparation for earthquakes and fire. The three Officers must attend eight training days each year, and are assisted by an emergency team responsible for providing assistance in the event of evacuation from the building and help in the event of an accident. Emergency and safety procedures are in place. The company coordinates its work with the Ministry of Industry, Commerce and Labour.</p> <p>In order to improve safety in the workplace, a “Work Plan” is drafted and adequate controls are implemented each year.</p>
<b>Spain</b>	<p>A Group-wide Committee was created to ensure employee health and safety, as required by the law. Moreover, each Company appoints a person to coordinate the Medical Services and Health and Safety in the workplace in collaboration with workers’ representatives.</p> <p>Europ Assistance in particular, employs a company specialised in the prevention of accidents in the workplace.</p>
<b>Switzerland</b>	<p>In compliance with the national labour law, all branches have a first aid station and have procedures in place in the event of accidents. The Zurich and Geneva offices also have Red Cross units (comprising of 5 people) to handle emergency situations and any other medical needs during working hours. Four people at BSI have been appointed to take care of physical safety and are supported by a health intervention team, which is equipped with a radio-paging system, medical supplies and cardiac defibrillator.</p>
<b>The Czech Republic</b>	<p>There is no requirement for a Committee, however the group carries out periodic checks on the measures for Health and Safety in the workplace, partly through the active involvement of the trade unions. In 2009, 2,251 employees were trained on measures relating to health and safety in the workplace.</p>

Staff is trained and is informed of regulations and initiatives on health and safety, risk prevention and on what to do in the event of an emergency or a fire by a variety of means (brochures, pamphlets, dedicated boards, e-learning courses and the Intranet). Participants are tested at the end of the courses to measure what they have learned. Ad hoc training and refresher courses are also organized for staff members with special duties in the event of medical emergencies or fire. In 2009, more than 13,100 Group employees received training on matters relating to health and safety in the workplace.

Smoking is prohibited in all public areas in the Sustainability Report area; with the exception of Switzerland, where, group companies nevertheless follow internal regulations that prohibit smoking in offices so as to protect the health of non-smoking employees. In all countries, Group companies have introduced measures not only to implement current legislation, but also to provide incentives and support members of staff who want to stop smoking by offering specific programmes coordinated by doctors, psychologists and experts.

More generally, in all countries except Israel and the Czech Republic, various types of programs were devised to fulfil legal obligations in terms of health in the workplace on the one hand, and to provide employees with healthcare assistance, information, advice and prevention on the other.

### Assistance, training, advice, prevention and control programmes

Country	Programmes
Italy	In 2009, 10% of staff members were subject to regular health checks in the workplace, including eye-tests and postural assessments. Health and safety at work training sessions were delivered in e-learning format over 11,000 hours, and involved 44.1% of the staff members of the Italian Group. All employees received training as well as information on safety and on correct posture in the workplace through the risk prevention section of the corporate Intranet.
Austria	A prevention programme (which also covers alcohol prevention) has been developed for the staff. Since 2009, employees have been able to contact the Institut zur beruflichen Integration free of charge and ask anonymously for advice and assistance on problems associated with depression, fears, mobbing and stress at work. The institution organises Health in the workplace workshops.
France	Every two years, workers are given health checks targeting prevention. The <a href="http://www.agirpourmasante.com">www.agirpourmasante.com</a> website is dedicated to prevention and provides health information, in response to HON standards for communicating medical information on the Internet In 2010, an agreement with trade unions was entered into to create a work group to combat psychological and social workplace risks, caused, for instance, by stress.
Germany	Some companies provide programmes to improve the health and physical fitness of employees, with the aim of reducing absence caused by illness. In addition to providing information to raise staff awareness of basic health issues, a number of services are provided, including: advice on stress, nutrition, dependency, postural problems, health guidelines, programmes to help employees return to the workplace after long periods of absence due to serious illness, company medical services, check-ups, collaboration with sports clubs etc.. Medical personnel are available at all times to provide employees with the necessary support.
Spain	A telephone support service was set up in 2009, which is provided to individuals on an anonymous and confidential basis, to provide psychological support to employees by placing them in contact with professional psychologists. A risk Prevention Department deals with the health and safety of employees in the workplace and provides advice in the event of a serious illness. In the context of prevention, staff members are provided with fact sheets to promote healthy lifestyles. This year 143 people underwent training. In 2009, the Protocol against influenza A and the Protocol against sexual harassment under the Gender Equality Plan were signed, expanding on the law.
Switzerland	A system is in place to help members of staff overcome health problems, with access to external consultants.

In 2009, 18,367 Group employees underwent medical check-ups (eye-tests, ergonomic and postural assessments).

Interventions on Group assets are ongoing and often rely on the advice of ergonomic experts, to set workspaces up in such a way as to protect worker safety, to make working conditions more comfortable and boost the efficiency and reliability of man-machine systems.

The overall cost incurred by the Group in the year for health and safety in the workplace - including health monitoring costs, first aid and fire fighting training costs, the costs of equipping emergency teams, etc. - was **4,318,000 euros**.

In 2009, there were a total of **676 accidents**, compared to 710 in 2008 (-4.8%). Of these, 468 were commuting accidents, two of which were fatal, due to road traffic accidents involving staff members on their journey to or from work. The

remaining 208 were accidents that occurred in the workplace, which in Italy mainly consisted of employees falling down stairs and minor cuts, while abroad they included road traffic accidents, one of which was fatal, mainly involving the sales force when travelling in the course of their duties. There were no accidents involving workers that resulted in serious or permanent disability or occupational diseases.

In 2009, the rate of absenteeism due to accidents, calculated as the ratio between days of absence due to accidents and the total number of working days in the year, was on average 0.11%, while the ratio for accidents in the workplace (therefore excluding commuting accidents) was practically nil (0.03%).

## Labour relations

In all countries the Group recognises the right of its employees to join trade unions, to appoint workers' representatives and to exercise the relative functions (including the right to collective bargaining), in accordance with the freedom of association and with local regulations/practices.

In the Sustainability Report area, 93% of workers are covered by national collective bargaining agreements. Only employees in Israel, where such agreements do not exist, with the exception of pension funds staff, and insurance staff in Switzerland, are not covered by such agreements.

In 2009, Italy, France, the Czech Republic and Spain renewed the collective industry agreements with local trade union representatives.

Workers in all countries are free to join trade unions. In Italy, 37% of employees are members of trade unions, while it has not been possible to provide data on trade union membership in other countries as membership takes place through external channels, and the company is not informed for privacy reasons. In France, in particular, the law prohibits companies from asking employees to disclose such information.

In the event of company reorganization, the Group protects the value of each staff member, where necessary, via training or professional requalification, taking into account the personal abilities and aspirations of each individual. Training is also the solution of choice in the event of company mergers, to accompany and assist integration between the employees of different companies. In general, company reorganizations are managed using tools such as: early retirement incentive plans for senior workers, not hiring new people when a member of staff leaves and relocating employees to other Group companies in the event of overstaffing.

In all Sustainability Report area countries, workers' representatives are informed of organisational changes at least 30 days prior to implementation of such changes (25 days in the event of company transfer). France is the sole exception, where at least one week's notice must be given prior to the meeting, during which time said initiatives are communicated to the workers' representatives.

Cross-border social dialogue is expressed within the Group through the **European Works Council (EWC)**, the body representing European Group staff and currently comprising 41 delegates from 18 countries in the European Union, and is guaranteed by a dedicated Central Management unit. In the past year, EWC dialogue has intensified, especially as regards issues relating to the application of the European Social Charter, with particular reference to new EU member nations. A letter signed by the Managing Director and Group Human Resources Director reiterated the importance of the principles contained in the Charter and asked for greater implementation of the document in local company policy. For this purpose, a joint training session was held with EWC delegates and local Human Resources directors.

The EWC also requested dialogue for the purpose of reviewing the existing agreement in the light of the impact of the European Directive 2009/38; the parties have already agreed on the time and place for the opening of the dialogue in 2010.

In 2009, the Group received five reports of alleged infringement of the Social Charter caused by a failure to adhere to the principle of solidarity set out in Chapter IV of the Charter of the fundamental rights in the European Union, which were resolved by the competent company structures.

More information on the EWC is available in the Careers section of the [www.generali.com](http://www.generali.com) website.

# Human Rights

## Policy

Compliance with Human Rights is key to Group policy, as defined in the new Group Ethical Code, in the European Social Charter and in Group adherence to the UN Global Compact.

## Human rights management

The Corporate Social Responsibility unit - part of the Parent Company - is responsible for protecting human rights and as such controls, verifies and collects any written reports of non-compliance and/or violation that should be communicated non-anonymously.

Employees may also confidentially report alleged violations of rights, by contacting their company's Human Resources Department directly or asking for trade union assistance.

A summary of how the Group guarantees such rights for employees in those countries not included in the Sustainability Report area is provided below.

## Other European countries

Generali also conducts insurance business in Belgium, Greece, Portugal, the Netherlands, the United Kingdom and countries in central-eastern Europe (Belarus, Bulgaria, Croatia, Hungary, Kazakhstan, Montenegro, Poland, Romania, Russia, Serbia, Slovenia, the Slovak Republic and Ukraine).

**Human and worker's rights** - The commitments defined in the Generali Group Ethical Code and European Social Charter apply to all these countries and guarantee workers the rights as set out in the United Nation's Declaration of Human Rights and in the International Labour Organization's Regulations.

**Contracts of employment** - All employees are provided with written contracts of employment that comply with Collective Bargaining Agreements, where these are in place.

Salaries are generally in line with the national insurance industry average and on a scale depending on the level of employment corresponding to the various duties; equal salaries are offered to men and women alike. Working hours vary between 35 hours a week in Belgium/Portugal and 40 hours in eastern Europe (Hungary, Poland, Romania and Slovenia). Overtime is normally paid, except in Belarus, Serbia, Montenegro and the Slovak Republic, while in Belgium overtime is only paid in exceptional cases as provided by law.

**Trade Unions** - All workers are entitled to join trade unions, although the exact number of employees who have taken up membership is unknown. In 2009, industry collective bargaining agreements in Belgium, Romania, Slovakia and Slovenia were renewed.

**Workers' health and safety** - The Group complies with local workers' health and safety regulations and, depending on the country, generally provides its employees with medical insurance cover and cover for accidents in the workplace as well as additional benefits, such as: accident cover; additional cover providing staff members access to quality healthcare such as hospitalisation due to illness, accident, surgery, childbirth or home medical assistance.

## Asia

The Group operates in China, the United Arab Emirates, the Philippines, Japan, Hong Kong, India, Indonesia, Thailand and Vietnam, through a liaison office.

**Human and workers' rights** - The commitments as set out in the Ethical Code apply to all of these countries.

**Contracts of employment** - There is no industry Collective Bargaining Agreement in place in these countries; in compliance with national legislation, employment contracts are individual and are implemented via letters of engagement. Group companies are subject to rules of conduct (e.g. Code of Conduct; Sale and Staff Management Policy) and have mutual termination of employment policies in place (Staff Dismissal Management Policy) in China, India and Thailand. Salaries are in line with the national industry average and are on a sliding scale depending on the level of employment corresponding to the various duties; there are no differences between the salaries of men and women. Overtime is paid in all countries except India, where the concept of employee overtime is non-existent. Retirement and health benefits are in place for all workers, and in China such benefits extend to the employee's family (life and health insurance). The working week ranges between 36.25 hours in Japan and 44 hours in the Philippines.

**Child labour** - Group companies not only comply with local regulations on the minimum age for workers, but in some cases (India and Thailand) they set a higher age limit (18 years) compared to the age set out by law (15 years).

**Trade unions** - All workers are entitled to join trade unions and to appoint a representative. In China around 28% of the employees have taken up trade union membership.

**Workers' health and safety** - The Group complies with health and safety in the workplace and provides its employees with the highest standards of quality. All employees are covered by workplace health and safety insurance as provided by national legislation. Employees can also access the following additional benefits, which differ from country to country: quality healthcare, which includes hospitalisation; life insurance with death benefits; disability and accident policies.

## The Americas

In the Americas, the Group has operations in Argentina, Brazil, Colombia, Ecuador, Guatemala, Mexico, Panama and the United States of America.

**Human and workers' rights** - The commitments as set out in the Ethical Code apply to all these countries.

**Contracts of employment** - In Argentina, the Group applies the Industry Collective Bargaining Agreement and in Brazil, it adheres to the regulations as set out by the Constitution and by the Collective Work Agreement for each category of workers. In Mexico, where there is no Industry Collective Bargaining Agreement, Generali-Banorte has a national agreement in place which applies to all workers employed by the three Group companies. In other countries employment contracts are based on individual, written agreements. Mexican and Colombian companies also have Codes of Conduct. Salaries - which are on a sliding scale depending on the level of employment and the various corresponding duties - are in line with or above the national industry average, with no differences between men and women. Overtime is paid in Argentina, Brazil, Panama and the United States of America. The working week varies between 35 hours in the US Branch and 48 hours in Caja in Argentina and in Colombia.

**Child labour** - In Argentina, the only country where the law has set the minimum age of workers at under 18 (16), the Group does not recruit employees younger than 18.

**Trade unions** - There are no restrictions on workers' rights to appoint representatives or join trade unions, which are permitted by law in all countries except Colombia, Ecuador and the United States of America.

**Workers' health and safety** - Group-wide health and safety regulations are in place, which provide workers with higher levels of insurance cover against illness and accident in the workplace than the minimum levels of cover as provided by law. Group companies also offer their employees one or more of the following supplementary cover at either no or very low cost: quality healthcare, accident or illness hospital cover, death and permanent disability or disability cover. In the United States, Europ Assistance has adopted the safety systems introduced by the OSHA standard (Occupational Safety and Health Administration), which is the federal agency for health and safety in the workplace.





MOSAIC FROM THE GREAT BATHS  
WITH BUSTS OF ATHLETES

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National Archaeological Museum, Aquileia  
4th century AD

Photo: Mauro Mezzarobba

## SALES FORCE

### Size and characteristics of the sales force

#### Insurance company sales networks

The Group relies on a multi-channel commercial structure for the sale of its insurance products, which allows it to provide a service that is in line with customer requirements.

The agency network plays a key role, with more than 9,000 agencies in the Sustainability Report area in 2009, comprising of:

- contracting agencies, consisting of independent agents, who have been granted authority to manage and develop the Group's insurance portfolio in an exclusive, designated area. This is the most common type of agency and focuses on individuals and small to medium enterprises;
- company agencies, where agents and personnel are on the payroll of Group companies. This organisation is typical of Austrian Group companies and has also been adopted by Alleanza in Italy, by Volksfürsorge in Germany and by Generali Iard in France. Assicurazioni Generali, alongside an extensive network of contracting agencies, has five company agencies - the so-called "gerenze" - which are located in major Italian cities and focus on the corporate segment.

#### Agencies by premium bracket

	<1 MILLION PER YEAR		1-2 MILLIONS PER YEAR		2-4 MILLIONS PER YEAR		4-6 MILLIONS PER YEAR		>6 MILLIONS PER YEAR		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	9.1%	9.4%	13.8%	14.2%	24.3%	23.0%	18.7%	17.9%	34.1%	35.5%	2,179	2,212
AUSTRIA	3.2%	3.2%	0.8%	0.8%	11.2%	11.2%	18.4%	18.4%	66.4%	66.4%	125	125
CZECH REP.	19.5%	19.5%	50.6%	55.8%	27.3%	22.1%	2.6%	2.6%	0.0%	0.0%	77	77
FRANCE	48.3%	42.8%	33.8%	35.6%	14.5%	17.9%	1.9%	2.5%	1.5%	1.2%	842	828
GERMANY	97.0%	95.3%	2.3%	4.0%	0.6%	0.7%	0.1%	0.0%	0.0%	0.0%	3,314	3,364
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,000	1,000
SPAIN	77.1%	76.1%	8.8%	9.0%	3.4%	3.8%	2.1%	2.1%	8.6%	9.0%	1,529	1,362
SWITZERLAND	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.1%	1.8%	94.9%	98.2%	59	57
<b>TOTAL</b>	<b>63.4%</b>	<b>61.9%</b>	<b>10.2%</b>	<b>11.2%</b>	<b>8.9%</b>	<b>9.0%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>12.0%</b>	<b>12.4%</b>	<b>9,125</b>	<b>9,025</b>

- In 2009, the number of agencies decreased by 100, primarily due to a decrease in the number of agencies in Spain as a result of network reorganisation following the merger of Estrella and Banco Vitalicio in Generali España.
- The past year has seen a significant decrease in the number of agencies with a turnover of less than one million of euros, with a decrease of 201 units, while the number of agencies in the next bracket (annual turnover of up to 2 millions of euros) increased by 72 and agencies with a turnover of over 6 millions of euros increased by 19. Although more than 60% of the agencies continue to be classified as very small, following internal growth there has been a steady shift towards higher premium brackets, plus steady growth in agencies with annual turnover of over 6 millions of euros as a result of the consolidation of a number of smaller points of sale into more structured agencies.
- Smaller agencies make up the largest sales channel in Germany (where more than 95% of the agencies are in the lower premium bracket, with practically none of these generating annual premiums in excess of 2 millions of euros) and in Spain (where 85% of agencies fall into the lower two brackets, most of which are in the lower bracket). Most agencies in the Czech Republic, where the Česká Pojišťovna agency network distributes Generali policies, also fall into the lower premium brackets.

As at 31 December 2009, the Group agency **sales force** consisted of 86,183 individuals, which consist of:

**27,174 agents**, the main points of reference for the agency network. Due to the aforementioned predominance of contracting agencies, the vast majority of the Group's agents own their own businesses, have their own collaborators and independently define the latter's duties and remuneration. The tied agent, an agent who only distributes Group company products, is a key figure; only **5,667** of agents are multi-firm agents who also sell competitor policies and for the most part such agents operate in Germany and Israel. The 397 Europ Assistance agents in Italy are multi-firm agents.

**21,829 sub-agents**, professionals operating primarily in Italy who are appointed by the agents - especially by those who cover a large area - to manage the business in certain parts of their allocated areas at their own risk and expense. The number of sub-agents has fallen sharply since 2008 (-73,557), to a large extent due to the termination of almost all part-time agents in Germany - who were previously included in the number of sub-agents - and a large part of whom became insurance advisers when the European insurance broker regulations came into effect, as they did not fulfil the requirements set out in the register of insurance brokers.

**21,619 self-employed agency co-operators**, typical of the Italian market, who generally find new customers on behalf of the agent. This category also includes multi-ethnic insurers, employed as part of the INA Assitalia and Alleanza sales networks, who overcome language and cultural barriers to more clearly identify the insurance and pension needs of immigrants.

In 2009, the number of agency co-operators rose by 540.

**15,561 sales force on payroll**, who work primarily in the retail segment, supported by an agency appointed by the Head Office (see the Employees chapter).

### Agents by seniority of service

	<2 YEARS		2-10 YEARS		10-20 YEARS		>20 YEARS		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	15.6%	15.1%	33.5%	33.3%	30.0%	30.7%	20.9%	20.9%	3,390	3,407
AUSTRIA	40.7%	32.3%	52.9%	63.2%	3.4%	2.3%	3.0%	2.2%	204	220
CZECH REP.	45.9%	58.5%	40.4%	29.7%	13.7%	11.8%	0.0%	0.0%	4,782	5,268
FRANCE	13.2%	6.1%	42.4%	58.1%	27.1%	23.3%	17.3%	12.5%	1,043	1,029
GERMANY	36.4%	45.4%	38.5%	36.6%	13.9%	12.0%	11.2%	6.0%	3,314	3,364
SPAIN	40.7%	39.4%	38.1%	40.5%	14.9%	14.0%	6.3%	6.1%	7,583	7,607
SWITZERLAND	41.0%	29.6%	36.7%	40.7%	16.0%	22.7%	6.3%	7.0%	605	612
TOTAL	35.8%	39.2%	38.3%	37.2%	17.4%	16.3%	8.5%	7.3%	20,921	21,507

- In 2009, the overall number of agents increased by 586, or 2.8%, with an increase of 486 in the Czech Republic alone.
- The distribution of agents by seniority of service highlights significant differences between countries. In Italy, Generali relies on a loyal and very experienced network, with over 50% of agents having worked with the Group for more than ten years. In other countries, the number of agents with less than 10 years' service form the majority, increasing to as much as 88.2% in the Czech Republic (58.5% with less than 2 years' service), where the Česká Pojišťovna network, which has been expanded to provide assistance to Generali customers is at around the 80% mark in Germany and Spain, where new agents replaced those whose contracts were terminated as they did not fulfil the new insurance broker requirements. In Austria, a decision was recently taken to draw on the services of agents in addition to the services of employed sales agents and brokers, thus just 4.5% of the agents have more than 10 years of service.

The Group recruits agents through a careful internal selection process from the ranks of the sales network, and recruits externally from candidates who have sent in spontaneous applications, have responded to job advertisements in the press or have been recommended by the agents. The recruitment, employment and training of new staff is planned and implemented in compliance with the regulations, to ensure adequate technical preparation on the products sold and to develop customer relations based on an advisory approach.

### Other sales networks

Group companies also use other channels to sell their products, in particular relying on:

- **more than 50,000 financial advisers**, asset management professionals generally operating within organised networks, and often belonging to captive companies, i.e. companies owned by the company or bank whose products they sell. They channel asset management into the life insurance sector, primarily targeting medium to high earners. The Group draws primarily on support from the Deutsche Vermögensberatung AktienGesellschaft (DVAG) network in Austria, Germany and Switzerland, comprising over 34,000 operators. It also sells its products through the OVB network of financial advisers in the latter two countries and in the Czech Republic.

In Italy, a number of agents and other members of the sales force also operate as Simgenia financial advisers with the aim of providing a complete range of savings, insurance, protection and investment solutions. Similarly, in Austria and the Czech Republic, the majority of tied agents are also qualified to work as financial advisers;

- **more than 27,000 independent brokers** who have considerable contractual power with insurance companies. This channel is especially popular in Germany, where 13,850 brokers distribute Group products;
- **6,196 bank branches**, which offer insurance products to the customers of some of the major banks and local credit institutions, thus covering distribution in the area. Italy relies on the highest number of bank branches (2,633 overall). In Austria, BAWAG PSK Versicherung, which was acquired in 2007, has a network of 150 bank branches. In Germany, the Group's main banking partner is Commerzbank, which sells Volksfürsorge products through its branches. In addition, the Group has signed numerous distribution contracts with regional banks in the south-west of the country. In 2009, the Czech Republic entered into a sales agreement with Komerční Banka, a member of the Société Générale Group. In Spain, the bancassurance company Cajamar Vida, a joint Bancassurance subsidiary of Generali España and the Cajamar credit institutions, draws on the partner bank's network of over 900 bank branches as a sales channel. In Switzerland, special time limited agreements were entered into for the sale of select products;
- **over 16,000 partnership agreements** were entered into with travel agencies, tour operators, hotels, airlines, car dealers, car-hire firms and vehicle body shops for the distribution of particular products, especially in the assistance (Europ Assistance and also Europäische Reiseversicherung in Austria) and motor insurance sectors;
- **Internet sites and call centres**, new direct sales channels for insurance products, as a result of technological innovation and of the changed purchasing behaviour in some customer segments. These sales channels are used by all Europ Assistance group companies, Genertel, Genertellife and Das in Italy and by Cosmos and Advocard in Germany. In Israel and Switzerland, only certain products are sold via direct Internet sales.

Each individual company is responsible for the co-ordination and organization of its sales network and has a specific managerial structure that defines business strategies, provides technical and administrative support and assesses the status of objectives, the development of the seller's businesses and the level of service provided.

In companies that sell their products over the telephone and Internet channels, the management structure that coordinates sales also manages and adjusts the flow of customer enquiries in order to contain the customer response times.

## Bank sales networks

The following credit institutions are part of the Group:

- **Banca Generali** - Established in 1998, Banca Generali is one of the leading providers of integrated financial, banking and insurance products in Italy. It primarily uses the Internet and call centre sales channels and it also operates through 43 bank branches, 1,250 financial advisers and 230 private bankers, based in 130 offices throughout the sales area. The bank focuses on the integrated management of medium and long-term customer investments;
- **Generali Bank** - Began operations in Austria in December 2002, offering private customers a wide range of asset management products and services. It has one branch at its headquarters and it can be contacted through the web site and the call centre. Its products are also marketed by 208 brokers and other partners, including DVAG financial advisers. Generali Bank set up Generali Deutschland Services GmbH to provide sales support;
- **Deutsche Bausparkasse Badenia** - A private-sector building society, which was founded in 1931. Its products are also available at branches of major German Banks such as Commerzbank and Stockholms Enskilda Bank (SEB) and through the DVAG financial adviser network. It primarily targets private customers, offering a wide range of investment and lending solutions for the purchase or renovation of residential property;
- **BSI** - Established in 1873 in Lugano as Banca della Svizzera Italiana, is the leading bank in Canton Ticino. It currently has eight branches in Switzerland and a network of branches, representatives and affiliates in the major financial centres of Europe, South America and the Far East. Over the years, it has specialised in the asset management sector and in private customer and external investor services.

## Sales policy

Customer satisfaction is one of the Group's key objectives, which it pursues through the high standards of its products and services, which are continuously updated to meet new needs and expectations. It supports such objectives through internal procedures and information technology, which are continuously assessed for efficiency and effectiveness, and by monitoring customer satisfaction through dedicated surveys.

The Group views customer relations management as the key to customer satisfaction. It organises special training courses in classroom and e-learning format for its sales force to ensure delivery of the expected standards of service. Dedicated communication tools such as the Internet, Intranet, periodic publications and circulars, which set out business guidelines, have also been implemented. The guidelines enforce compliance with insurance broker regulations, with particular regard to the adequacy principle, and to the principle on the distribution of financial and insurance products, including remote sales. Reference is also made to the Group Ethical Code, reminding the networks to apply the general principles set out therein.

Contractual relations and customer communications must comply with the principles of fairness, honesty, professionalism, transparency and cooperation in searching for the most suitable solutions to their needs. Complete, transparent and understandable information must be provided during pre-contractual negotiations to enable the customer to make an informed decision based on the quality of the products and services offered. Some companies have prepared specific handbooks that set out guidelines on assessing the customer's insurance needs and pre-contractual questionnaires for the collection of information to support the advice provided by the sales agents. Sales agents must be impartial in their dealings with potential customers and ensure that personal benefits do not influence their conduct or affect independence of judgement.

Sales network management structures monitor the degree to which regulations are applied, regularly checking customer reports collected during routine shadowing operations and random inspections. In certain instances, for example following customer complaints, individual agents may be reminded of the guidelines on conduct. Some Group Companies impose sanctions that vary in severity in the event of irregularity or breach of the code of conduct, which in the worst case scenario can lead to termination of contract.





MOSAIC KNOWN AS THE  
FLOWERED RUG FROM THE  
CASSIS ESTATE

2nd century AD

Archive photo National Archaeological Museum,  
Aquileia

# EMPLOYEES AND SALES FORCE

## Training

Generali Group considers learning and knowledge exchange to be critical in achieving the Group’s strategic objectives focused on the creation of value for all stakeholders: promotion of governance, operating improvements through Group synergies, investments in sustainable growth and innovation with a focus on customer service quality.

The Group values its employees, a fact reflected in the **Generali Group Innovation Academy (GGIA)** - the Corporate University - which provides for the needs of professional growth among employees and the sales force through structured training activities in line with the provisions of the Training and Development Framework, the tool used to guide training investment in the direction of the Group’s objectives and strategies.

Generali Group Innovation Academy manages training for all Generali Group companies in Italy, organises international learning and knowledge exchange initiatives for employees Group-wide and provides support for the activities of similar training centres in nine countries in Europe, Israel and China.

For additional information on the training GGIA provides, please refer to the Careers/Training and Development Section of the [www.generali.com](http://www.generali.com) website.

Key to the training framework are the strategic alignment initiatives, which pursue a broader vision for a better understanding of global issues and local implications, with a view to adapting and anticipating change. The most significant initiative is the Generali Executive Forum, consisting of strategic meetings between top managers and senior executives to address current issues and scenarios of primary interest to business development. The issues are selected each year by the Managing Directors, who receive a year-end report on the conclusions reached. A number of issues were addressed in 2009, including the Forum on the strategic implications of climate change, held in Prague and attended by Professor Schellnhuber, member of the Intergovernmental Panel on Climate Change and director of the climate research Institute in Postdam, which saw the participation of 96 top and senior Group managers. The International Forum was followed by a number of Strategic Management Forums on the same subject, held in the main Group languages to widen the local strategic debate to include junior and middle managers. In all, 232 people attended.

### Training activities for 2009 in figures

Group’s global training activity in 2009 is summarized below:

- investment in training amounted to 70.4 millions of euros;
- a total of almost 5 millions training hours were provided;
- 81.1% of the Group’s employees and independent members of the sales force were involved in training (78.9% of employees and 83.7% of independent members of the sales force).

Since 2005, Generali Group has adopted some of the American Society of Training and Development’s (ASTD) performance indicators used worldwide to evaluate investment in training and development.

#### Comparison with the ASTD benchmark

	GENERALI GROUP ASTD BENCHMARK	
	2009	2009
AVERAGE ANNUAL EXPENDITURE PER STAFF MEMBER [EUROS]	506.8	1,065.7
AVERAGE HOURS OF FORMAL LEARNING PER STAFF MEMBER	35.5	44.5
AVERAGE PERCENTAGE OF PAYROLL INVESTED IN LEARNING	1.1%	2.2%
AVERAGE COST PER LEARNING HOUR RECEIVED [EUROS]	14.3	30.6

- This year, for the first time, global Group data was provided as opposed to data pertaining to the Sustainability Report area. However only 2009 data has been published, as the corresponding data for 2008 could not be reconstructed, while the data published last year was not comparable.
- The benchmark comparison indicates lower Group positioning for all indicators. In particular, average annual expenditure per employee, investment in training and the average hourly cost of Group training total half of the benchmark value, while the number of training hours per capita equal about 80% of the benchmark.

## Training activity indicators by country

	AVERAGE ANNUAL EXPENDITURE PER STAFF MEMBER *		AVERAGE HOURS OF FORMAL LEARNING PER STAFF MEMBER		AVERAGE PERCENTAGE OF PAYROLL INVESTED IN LEARNING		AVERAGE COST PER LEARNING HOUR RECEIVED *	
	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	283.6	254.5	34.0	40.3	0.7%	0.5%	8.3	6.3
AUSTRIA	1,249.8	1,035.7	40.6	34.6	1.9%	1.0%	30.8	29.9
CZECH REP.	405.8	454.9	10.3	12.5	3.5%	3.5%	39.3	36.3
FRANCE	1,402.9	1,154.2	35.9	34.1	2.1%	1.6%	39.1	33.9
GERMANY	1,271.4	1,113.4	42.4	29.9	1.2%	1.5%	30.0	37.3
ISRAEL	737.0	668.5	53.8	42.1	3.2%	2.8%	13.7	15.9
SPAIN	241.8	215.2	50.1	68.7	1.1%	0.8%	4.8	3.1
SWITZERLAND	946.4	1,301.7	6.5	34.2	1.1%	1.4%	146.1	38.0
OTHER EUROPEAN COUNTRIES**	n.a.	260.7	n.a.	26.2	n.a.	1.3%	n.a.	9.9
THE AMERICAS	n.a.	214.2	n.a.	27.1	n.a.	1.3%	n.a.	7.9
ASIA	n.a.	109.2	n.a.	31.6	n.a.	1.2%	n.a.	3.5

\*VALUES IN EUROS

\*\*BELGIUM, BULGARIA, GREECE, ENGLAND, IRELAND, THE NETHERLANDS, POLAND, PORTUGAL, ROMANIA, SLOVAKIA, SLOVENIA, HUNGARY

- The table shows a breakdown of ASTD indicators by country, which are available for the first time this year, exclusively relating to 2009 and also cover countries out of the Sustainability Report area.
- The variable nature of indicator values in different countries is in part due to: different training and consultancy market conditions; different business priorities, leading to variable balances between the need for professional and managerial training and, consequently, to a different relationship between internal trainers and external facilitators.
- The annual average expenditure and average cost per hour of training per employee is highest in Switzerland; this is due to the involvement of almost all BSI staff members in training on private banking.
- Spain has the highest number of training hours per staff member as in order to meet the requirements of the new insurance broker regulations, a broad training programme was provided for independent members of the workforce.
- In proportion to salaries, the Czech Republic has the highest level of investment in training.
- Italy invested the least in training, partly on account of the high incidence of the sales force training, the cost of which is more contained due to the use of internal trainers, and partly because of the extensive use of e-learning methods to provide the training.

For the first time, global Group data for 2009 is available on the average number of training hours per employee, divided by level, and the sales force and workers.

## Average hours of training activity by level

	MANAGERS	MIDDLE MANAGERS	EMPLOYEES	SALES FORCE ON PAYROLL	SALES FORCE NOT ON PAYROLL
	2009	2009	2009	2009	2009
ITALY	28.6	19.1	16.2	30.1	48.4
AUSTRIA	18.5	15.5	19.9	62.1	0.0
CZECH REP.	37.7	16.6	11.8	22.5	10.8
FRANCE	17.2	20.2	61.9	43.8	19.9
GERMANY	36.0	21.3	20.4	55.0	35.2
ISRAEL	126.4	27.4	40.0	78.9	0.0
SPAIN	20.7	13.9	25.8	29.8	82.9
SWITZERLAND	33.4	33.2	27.3	56.7	0.0
OTHER COUNTRIES*	36.1	32.5	29.0	10.0	25.4
GENERALI GROUP	31.2	22.4	24.0	39.9	43.6

\*THE AMERICAS, ASIA, BELGIUM, BULGARIA, GREECE, ENGLAND, IRELAND, THE NETHERLANDS, POLAND, PORTUGAL, ROMANIA, SLOVAKIA, SLOVENIA, HUNGARY

- The most intense levels of training are provided to the sales force on payroll and sales force not on payroll (especially agents), on an average level, and by most of the countries shown. This is not the case in other countries,

where in particular the number of training hours given to sales force on payroll is rather low, and in the Czech Republic.

- Italy's average number of training hours is lower than the average for all categories, excluding independent members of the workforce.
- Israel is the most committed to the training of administrative employees, with more than 126 training hours for managers and sales force on payroll, with the latter category receiving twice as many training hours as the Group average.
- Employees in the Czech Republic receive the lowest number of training hours, averaging at around twelve hours per employee.
- France and Israel have a high number of employee training hours, partly due to the high number of new recruits.

## Labour disputes

### Number and value of labour disputes

	NUMBER		VALUE*	
	2008	2009	2008	2009
ITALY	237	273	14,280	20,832
AUSTRIA	5	4	500	30
FRANCE	244	246	8,021	8,749
GERMANY	220	127	1,922	1,903
SPAIN	6	15	989	180
SWITZERLAND	5	3	441	202
TOTAL	717	668	26,153	31,896

\*VALUES IN THOUSANDS OF EUROS

- In 2009 the number of labour disputes - which include cases brought against the Group by employees and former employees - fell on the whole (-6.8%), especially because of the notable decrease in Germany (-42.3%).
- The value of the disputes, considered as an amount equivalent to the claims made by the opposing party, increased globally by 22%, primarily because of the notable increase in values in Italy (+45.9%).
- The number of labour disputes in Italy has also risen (+15.2%). The most commonly cited grounds for legal action included de-skilling, claims to superior responsibilities and pay issues in general, disputes on the legitimacy of individual terminations and appeals against disciplinary measures and some cases of mobbing.
- In France, legal action brought against the company following the introduction of a new sales force on payroll remuneration system in 2007, is ongoing. The system, approved by the majority of trade unions, was not accepted by a number of sales force on payroll. A plan to safeguard their jobs was introduced in accordance with the law, offering relocation as an alternative to leaving the company. The dispute was fuelled by sales force on payroll who did not deem the proposal satisfactory.
- In Germany, the considerable reduction in the number of labour disputes reflects the fall in legal action related to damages sought by workers following organisational changes within the Group, resulting in termination of employment, despite the company resorting to tools such as early retirement plans and part-time contracts for staff members approaching retirement age.
- Twelve alleged instances of mobbing within the Group were reported, four of which led to legal action during the year.
- The Group is currently involved in legal action involving two instances of alleged violation of sexual discrimination.
- In 2009 there were no cases of violating the rights of indigenous populations.



## Engagement of staff members

In all Sustainability Report countries, employee satisfaction surveys are conducted every two years and various other forms of dialogue with employees, agents and the sales force are organised. Certain Group companies placed special attention on activities involving members of staff with the aim of creating a corporate culture and identity. In particular:

- in France, through the Ambition project, Generali France continues to hold open discussion forums on the Internet, the brand, quality and Génération Responsable initiatives, to improve and continue the plan of action for each company division;
- in eight different countries (Italy, Austria, Belgium, France, Germany, Switzerland, the Czech Republic and the Netherlands) was provided a project, involving almost 130 managers in focus group, aimed at defining the Group's Vision and, consistently a Group's Charter of Values and a Model of Expertise.

In addition, internal dialogue and communication with all Group employees is promoted and facilitated by new dedicated information channels on the Intranet called HR Portal, such as Generali Group Reporters, GGReporters International and newsletters that provide up-to-date news on individual companies (events, projects, notes on organization and operational information targeting staff members) and new products.

The primary activities involving employees and the sales force in 2009 are outlined in the tables below.

### Surveys and other forms of dialogue with employees

Target	Frequency/Type of initiative/Topics	Results and provisions
<b>Germany</b> Generali Group Employees	Every 24 months Satisfaction surveys Topics: involvement, commitment, development opportunities, conditions and atmosphere in the workplace, client orientation, leadership, collaboration, company/brands Involving: 100% of staff	Participation: 83% of the staff responded, up 12 per cent since the previous survey. Degree of satisfaction: improving. Compared to the 2007 survey, confidence among Top Management and satisfaction for the company as a business has improved. The evaluation of the collaboration between the different teams was also positive. Critical issues that emerged: 60% of the employees still perceive management as a group of different components at all levels. Some difficulties persist in cooperation between the different areas and managers.
<b>The Czech Republic</b> Generali Group Employees	Irregular frequency Satisfaction surveys Topics: satisfaction and motivation among employees, company culture and values Involving: 100% of staff	Participation: 82% of the staff responded. Degree of satisfaction: stable. Critical issues emerging: employees communication, employees assessment, loyalty. Action taken: changes to the communication plan, training for management, changes in benefits.

### Dialogue with the sales force

Group companies provide the sales force with a number of different tools to allow timely, up-to-date communication with the management structures responsible for managing and organising the sales network. The development of different channels allows constant, effective contact for continuous training on regulations, operating methods, recruitment rules and behaviour to be adopted when dealing with clients, to facilitate the distribution of products and improve customer service.

All members of the Group's sales force can access the company Intranet (or portal) which, in addition to publishing useful information, has one or more sections dedicated specifically to sales force, containing news and circulars for the network that is always up-to-date and incorporates the operating applications needed to satisfy customer needs. The newsletters service is also available on the Intranet and is the method of choice for sending communications on the launch of new products and to provide updates on commercial initiatives. All sales force have e-mail addresses, provided and managed by Group companies to enable timely two-way communication and daily updates.

In some countries, sales networks are also provided with paper publications reporting the primary commercial initiatives, insurance and/or financial market trends and a selection of local successful experiences shared as best practice.



## Surveys and other forms of dialogue

The Group has a constant commitment to communication and the involvement of sales force who, having direct contact with the market, can provide important input on how to improve service. The primary objectives of dialogue with the network aim to: verify satisfaction among the sales force; investigate any areas for improvement; guarantee customer service that always meets expectations.

Topics	Method and frequency	Country
<b>Satisfaction</b> of the sales force in relation to company processes, the support provided for distribution activities and training received	<ul style="list-style-type: none"> <li>meetings, interviews and focus groups with the sales force on an annual basis</li> <li>contact via e-mail, generally on a monthly basis or ad hoc surveys following specific initiatives</li> </ul>	<p>In <b>Italy</b>, surveys have revealed a good level of network satisfaction, and in terms of the training received. The development of IT and settlement systems were identified as areas requiring intervention.</p> <p>In <b>Germany</b> a program of actions is being finalised to be implemented in light of the results.</p> <p>In <b>Israel</b>, a high level of satisfaction was recorded for the training provided, both in terms of content and materials provided. Intervention plans have been devised to improve the technology available to the network and to distribute information to sales support.</p> <p>In <b>the Czech Republic</b>, the results of the surveys identified some shortfalls in the relationship with the sales networks. They were also useful for introducing major modifications to the management of sales force relations, which led to increased motivation in terms of daily distribution.</p>
Improvement of <b>products</b> and <b>services</b>	<ul style="list-style-type: none"> <li>meetings, interviews, workshops, focus groups and road shows with the sales network</li> <li>frequency: very variable, often associated with the launch of new products</li> </ul>	<p>In <b>Italy</b>, satisfaction with products available for sale was good. Moreover, network contribution has allowed more focus to be placed on clients needs in terms of product development and innovation.</p> <p>In <b>Germany</b>, the surveys revealed the need for greater collaboration with sales force in developing products and services, partly with the intent of increasing the skills of the sales force to improve the activity of advising clients.</p> <p>In <b>Israel</b>, the results are being analysed to plan for future interventions.</p> <p>In <b>Spain</b>, indications provided by the sales force were useful for defining new lines of savings products and improving household and motor insurance policies.</p>
Sharing <b>company strategies</b>	<ul style="list-style-type: none"> <li>meetings and conventions</li> <li>generally annually</li> </ul>	<p>The Generali Group organises this type of initiative in <b>all countries</b> to bring the company's Top Management and management structures closer to the sales force, with the objective of sharing the results achieved and the objectives for future growth, creating opportunities for profitable relations. These meetings are an opportunity to motivate sales force, who in this way feel involved in company strategies; at these meeting, awards are often given to top agents/sellers to improve team spirit and sense of belonging</p>



THE ASAROTOS OIKOS MOSAIC  
FROM THE COSSAR ESTATES

National Archaeological Museum,  
Aquileia  
end 1st century BC – early 1st century AD

Photo: Mauro Mezzarobba

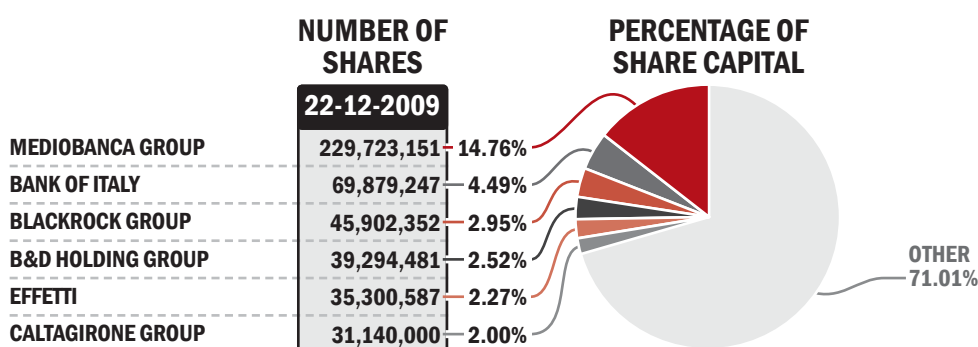
# SHAREHOLDERS

## Size and characteristics of the shareholders

At 25 January 2009 the **share capital** of Assicurazioni Generali S.p.A. amounts to 1,556,873,283 euros, divided into an equal number of ordinary shares with nominal value of 1 euro.

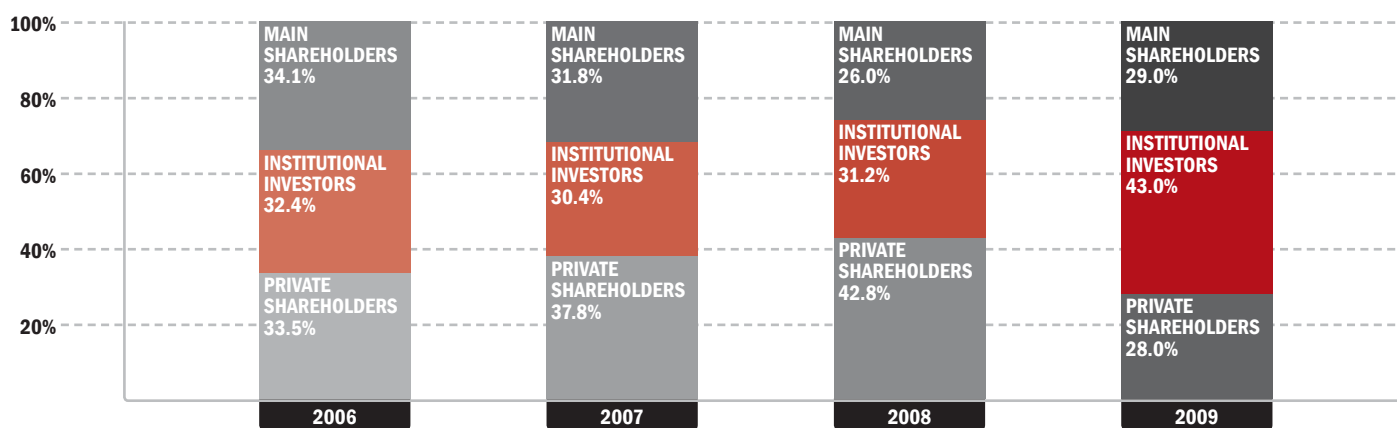
Following the merger of subsidiaries Toro Assicurazioni and Alleanza Assicurazioni by Assicurazioni Generali, which took effect on 1 October 2009, new Generali shares were issued only to Alleanza shareholders other than the Parent Company. The merger of Toro did not require a share exchange, because the company was already a wholly-owned subsidiary of the Parent Company. The merger therefore diluted the total shareholdings by just over 10%.

### Major shareholders



- Shareholders amount to about 237,000 units. Only 6 of them hold equity interests of more than 2% in the Company directly or indirectly through third parties, trust companies or subsidiary companies. Known as the main shareholders, they totally hold 28.99% interest in the share capital.
- The main shareholders differ from those in 2008: they no longer include Unicredit and Barclays groups, while they include BlackRock group, Effetti and Caltagirone groups. Mediobanca group, Banca d'Italia and B&D Holding hold a different interest in the share capital.

### Shareholders by type



- Changes in the main shareholders have led to an increase in their interest in the share capital compared to the end of 2008.
- As for the other shareholders, institutional investors raised their interest in the share capital whereas private shareholders decreased theirs.

## Shareholders policies

The constant enhancement of shareholders' investments is one of the major objectives of the Generali Group. Also in a difficult year when the insurance markets experienced a general downturn in premium income, the Group fulfilled the shareholders' expectations. It increased its value by building a sustainable business in the long term based on geographic expansion and a diversified distribution network.

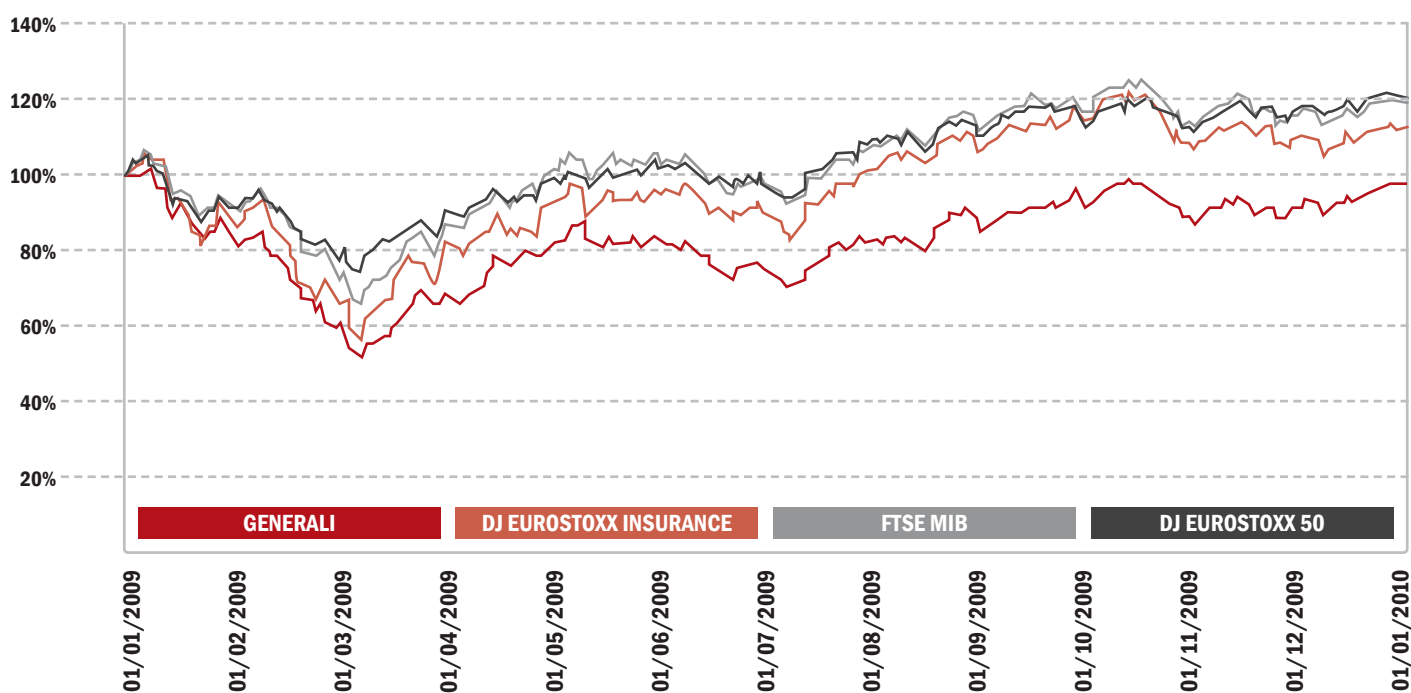
The sound financial position of the Group is also confirmed by its solvency ratios, which have improved.

### Economic financial performance

	2006	2007	2008	2009	AVERAGE CHANGE	CHANGE
					2009/2006	2009/2008
SHAREHOLDERS' EQUITY* (IN MILLION OF EURO)	15,206.5	14,789.6	11,312.8	16,652.0	3.1%	47.2%
STOCK MARKET CAPITALIZATION (IN MILLION OF EURO)	42,511.2	43,690.9	27,483.1	29,300.1	-11.7%	6.6%
PRICE OF GENERALI SHARES (IN EURO)**	30.25	30.87	19.49	18.82	-14.6%	-3.4%

\* SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP, INCLUDING THE RELATED RESULT OF THE PERIOD  
 \*\* ADJUSTED TO ACCOUNT FOR THE FREE INCREASES OF CAPITAL

### Generali share performance on the main Stock Exchange indexes



- Market capitalization at 30 December 2009 is 29,300.1 millions of euros, confirming Assicurazioni Generali's position among the major European insurers by market capitalization.
- In 2009, the Company's share price fluctuated between a low of 9.99 euros (on 9 March 2009) and a high of 19.81 euros (on 8 January 2009). At the end of 2009 it amounted to 18.82 euros, marking a decline of 3.4% compared to 30 December 2008.
- The stock underperformed the main market ratios, such as FTSE MIB, the Italian stock exchange index (+19.5%), DJ Eurostoxx Insurance, the insurance index of the euro area (+12.9%) and DJ Eurostoxx50 (+21.1%).

## Percentage impact of Generali share on the main Stock Exchange indexes

	2006	2007	2008	2009
FTSE ITALIA ALL SHARE*	5.33%	5.80%	7.17%	9.13%
FTSE MIB**	7.38%	7.65%	9.17%	9.62%
FTSE EUROTOP 100	0.91%	0.90%	0.98%	0.81%
DJ EUROSTOXX 50	1.73%	1.56%	1.83%	1.55%
DJ EUROSTOXX	1.03%	0.98%	1.19%	1.01%
DJ EUROSTOXX INSURANCE	11.37%	10.37%	9.88%	8.92%

\*DATA BEFORE 2009 REFER TO MIBTEL \*\*DATA BEFORE 2009 REFER TO MIB 30

- Generali is listed in 163 Stock Exchange indexes. The table highlights its percentage impact on the main indexes.

## Dividend policy

	2006	2007	2008	2009
DIVIDENDS (IN MILLION EURO)	955.2	1,220.1	203.4	544.9
DIVIDEND PER SHARE (IN EURO)	0.75	0.90	0.15	0.35
DIVIDEND YIELD	2.5%	2.9%	0.8%	1.9%
PAYOUT RATIO	39.7%	41.8%	24.6%	41.6%

- Dividend per share increases by 133.3% to 0.35 euros compared to 2008, when it amounted to 0.15 euros plus the allocation of one free ordinary Assicurazioni Generali share for every 25 shares held.
- Dividend yield, i.e. the ratio of dividend per share to share price, and payout ratio, i.e. the ratio of dividends to result of the period attributable to the Group, improve. The result of the period attributable to the Group is again in line with historical amounts.

For further and updated information on the Group's financial performance, please refer to the Investor Relations section of the Group website.

## Engagement of investors

Generali Group regards transparency of information as one of the fundamental aspects of its financial community relations.

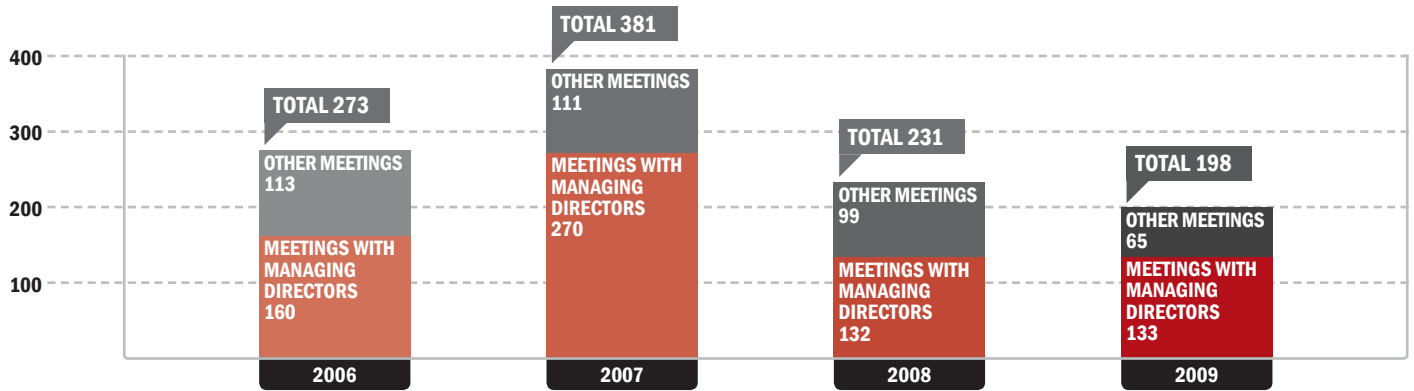
The Parent Company publishes a Corporate Governance Report every year and whenever there are significant changes in the shareholders' structure. This document outlines functions, composition and terms of office of the governing bodies.

In order to allow investors to base their decisions on a correct assessment of corporate policies, management trends and profit expectations on invested capitals, the Group not only provides information required by the law but it also presents data to institutional investors and analysts through the main financial reports and when extraordinary transactions occur. Any information which may impact Stock Exchange trading is distributed via prompt and detailed press releases.

Contacts with the financial community are maintained through a number of channels such as meetings, also individual ones, road shows and specific conferences organised by the major international stock exchanges.

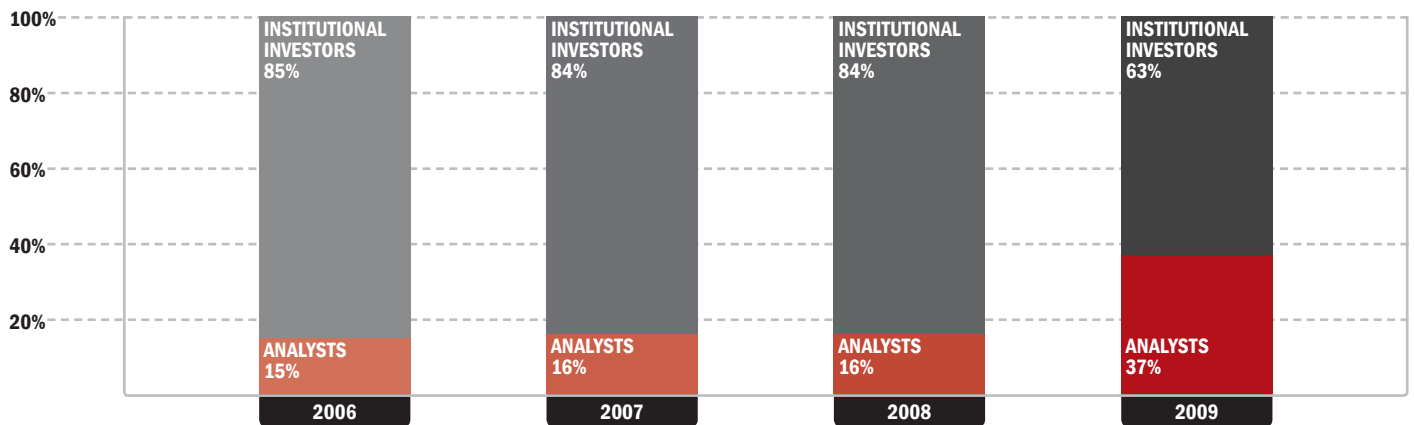


## Meeting with investors



The growing importance of managing relations with the financial community for listed companies has led the company's Top Management to become increasingly involved. Meetings of the Managing Directors of Assicurazioni Generali S.p.A. have risen from a few dozen in the late Nineties to 270 in 2007. Its reduction during the last two years is primarily due to the crisis affecting the financial markets, which shifted the attention of analysts and investors to more macroeconomic aspects. The presentation of the 2008 annual results and the presence to both Banking and Insurance CEO Conference and Italian Financial Conference are the main examples of meetings of the Managing Directors with the analysts.

## Meeting by type of participant



- In 2009 the distribution of meetings by type of participant shows an increase in meetings with analysts and a decrease in those with institutional investors compared to previous years.
- With regard to meetings with institutional investors, some contacts with ethical funds - which have begun to value Generali Group's commitment to socially responsible, environmentally friendly growth - are worth recording. Contacts with ethical analysts - who are interested in detailed information about commitments and Group social and environmental performance - have increased, as well.

Shareholders are given the opportunity of communicating directly with the Company through the Investor Relations section of the Group website, where contacts of both the office dealing with private shareholder relations and that dealing with institutional investor relations are reported. The section also includes all information on the Shareholders' Meeting, on Corporate Governance, and more generally on the economic-financial trend of the Parent Company and the Group with related financial statements and interim reports.











MOSAIC WITH DODECAGONS AND SWASTIKA PATTERNS

National Archaeological Museum, Aquileia  
1st century AD

Photo: Neva Gasparo



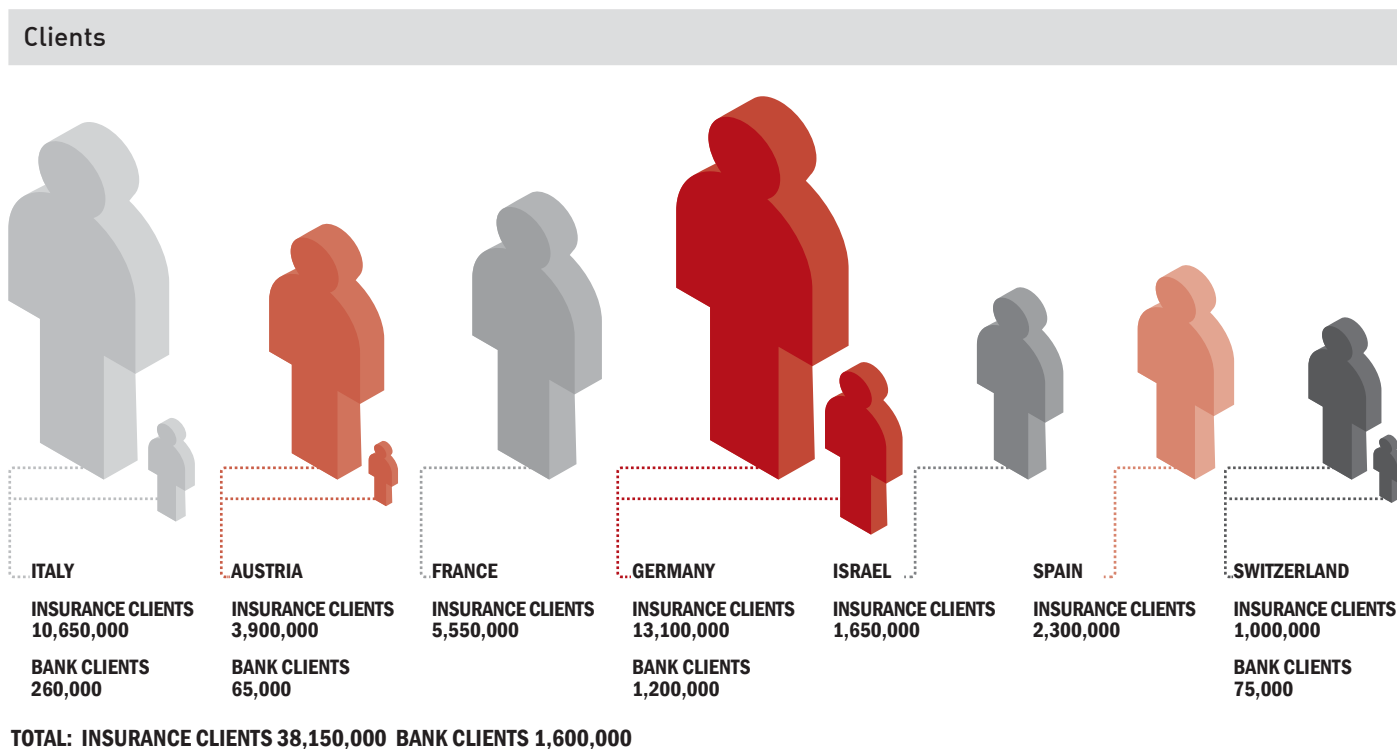


CHAPTER 3

# COMPETITIVE STAKEHOLDERS

# CLIENTS

## Size and characteristics of the clients



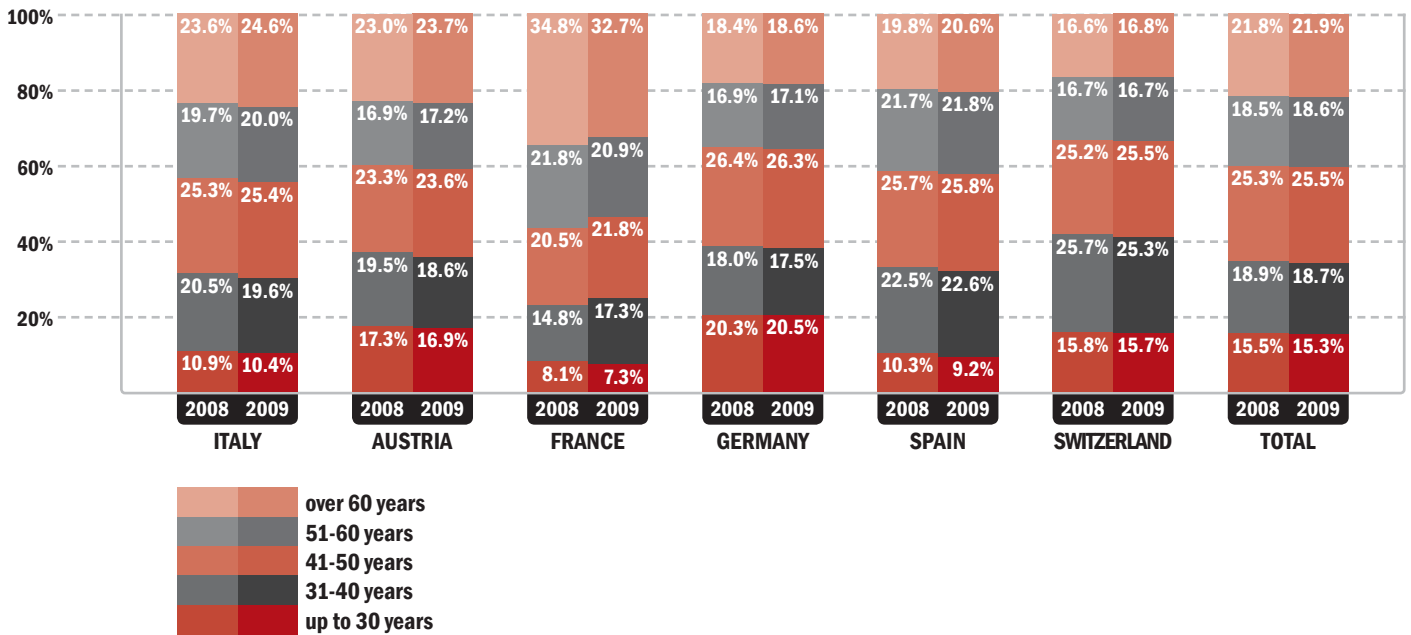
- The overall number of clients is estimated to be around 40 million: 38.15 million insurance clients (38.4 million in 2008) and 1.6 million banking clients (1.5 million in 2008).
- In the past year, the number of insurance clients in Italy fell by 7.4%, primarily due to Intesa Vita leaving the Group, while the number remained stable in Germany and Spain and grew in the other Sustainability Report countries.
- As a result of the strategic move to focus its insurance business on individuals and small to medium enterprises, only 3% of Group clients are medium to large enterprises.
- The number of banking clients has increased globally, with the exception of Germany, where it has remained stable.

### Number of clients by line of business

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES	
	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	4,084,179	4,009,152	279,214	273,328	4,810,200	4,861,535	3,750,518	3,730,736
AUSTRIA	758,350	746,773	408,820	409,857	958,791	924,234	2,529,063	2,601,196
FRANCE	1,603,864	1,452,056	468,186	613,720	1,547,934	1,789,745	2,309,428	2,445,764
GERMANY	7,498,160	7,285,138	2,095,985	2,261,199	2,033,091	1,958,285	6,702,821	6,676,470
SPAIN	587,092	599,044	61,584	67,337	807,815	816,818	1,143,512	1,155,217
SWITZERLAND	418,041	436,219	70,528	67,924	292,068	296,155	427,570	437,540
<b>TOTAL</b>	<b>14,949,686</b>	<b>14,528,382</b>	<b>3,384,317</b>	<b>3,693,365</b>	<b>10,449,899</b>	<b>10,646,772</b>	<b>16,862,912</b>	<b>17,046,923</b>

- The overall number of clients by line of business is greater than the total number of clients, as an individual client may have taken out more than one policy with Group companies, to cover different risks.
- All lines of business posted a positive trend except life, which recorded a 2.8% fall in the number of clients, due to a generalized decrease in almost every country (except Spain and Switzerland), peaking at 9.5% in France, where, in contrast, the number of clients rose significantly in all other lines of business, particularly in the health segment (+31%).

## Percentage of clients by age bracket



- There has been no significant change in the distribution of Group clients since 2008, with a majority of policyholders falling under the 41-50 age bracket, which represents around one fourth of all clients.
- The youngest age bracket, consisting of clients under the age of 30, has the lowest number of policyholders; Germany is the exception, with clients in this age bracket representing one fifth of the total.
- Switzerland has the youngest client base, with over 40% of clients under the age of 40; on the other hand, more than half of the clients in France are over the age of 50, with a clear predominance of clients over sixty, who represent a third of all policyholders.

## Direct premiums by the life lines of business

	INDIVIDUAL TRADITIONAL		INDIVIDUAL UNIT/INDEX LINKED		HEALTH		GROUP		TOTAL		CHANGE 2009/2008
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	
ITALY	11,693.4	11,048.7	1,650.1	269.7	0	0	1,336.1	1,338.0	14,679.6	12,656.4	-13.8%
AUSTRIA	506.6	563.7	419.9	327.7	203.2	213.6	0	0	1,129.7	1,105.0	-2.2%
FRANCE	7,372.5	9,318.8	1,422.1	1,299.8	840.4	798.8	827.6	786.1	10,462.6	12,203.5	16.6%
GERMANY	5,741.3	6,186.7	3,249.3	3,184.8	2,018.7	2,033.2	711.5	823.8	11,720.9	12,228.4	4.3%
ISRAEL	232.9	215.9	0	0	166.3	166.5	776.0	764.8	1,175.3	1,147.3	-2.4%
SPAIN	801.0	736.5	20.9	20.9	0	0	395.8	370.4	1,217.7	1,127.9	-7.4%
SWITZERLAND	188.3	185.1	658.9	701.5	8.9	8.7	3.2	1.5	859.4	896.8	4.4%
<b>TOTAL</b>	<b>26,536.0</b>	<b>28,255.4</b>	<b>7,421.3</b>	<b>5,804.5</b>	<b>3,237.5</b>	<b>3,220.8</b>	<b>4,050.2</b>	<b>4,084.6</b>	<b>41,245.1</b>	<b>41,365.3</b>	<b>0.3%</b>

VALUES IN MILLIONS OF EUROS

- In the Sustainability Report area, life premium income remained steady at 2008 levels, with trends in different countries revealing the effects of the financial crisis that began in the previous year. The slight overall increase recorded is primarily due to the significant increase in France (+16.6%), particularly in individual traditional policies.
- The Group's life business is concentrated in Italy, Germany and France, countries which generate around 90% of total premiums.
- Group focus is on individual policies, which constitute 82.3% of total premiums; of these, traditional products with less volatility form the majority, and recorded a 6.5% increase in 2009, equivalent to 68.3% of overall premiums in the life line of business.

## Direct premiums by the non-life lines of business

	MOTOR		ACCIDENT AND HEALTH		NON MOTOR PERSONAL		NON MOTOR COMMERCIAL		TOTAL		CHANGE
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2009/2008
ITALY	3,259.2	3,137.8	1,384.4	1,361.9	840.3	820.4	1,957.4	1,951.3	7,441.3	7,271.3	-2.3%
AUSTRIA	612.6	596.0	136.9	140.7	367.0	223.3	193.7	353.2	1,310.2	1,313.2	0.2%
FRANCE	1,073.2	1,057.8	438.9	465.6	1,316.0	1,367.4	683.4	649.9	3,511.5	3,540.8	0.8%
GERMANY	1,168.5	1,115.8	454.4	459.5	1,151.9	1,169.8	282.0	285.9	3,056.8	3,031.1	-0.8%
ISRAEL	144.6	130.2	1.5	1.3	30.3	29.2	114.2	105.5	290.6	266.1	-8.4%
SPAIN	539.7	482.1	156.6	157.9	279.9	290.1	556.0	500.5	1,532.2	1,430.6	-6.6%
SWITZERLAND	245.2	258.5	95.4	108.4	129.8	140.3	2.4	2.5	472.8	509.8	7.8%
<b>TOTAL</b>	<b>7,042.9</b>	<b>6,778.2</b>	<b>2,668.1</b>	<b>2,695.4</b>	<b>4,115.4</b>	<b>4,040.5</b>	<b>3,789.1</b>	<b>3,848.7</b>	<b>17,615.5</b>	<b>17,363.0</b>	<b>-1.4%</b>

### VALUES IN MILLIONS OF EUROS

- Non-life premiums fell overall by 1.4% compared to 2008, with different trends in different countries.
- There is a lower concentration of non-life business than life business: around 80% of total premiums are generated in the three leading markets (Italy, France and Germany).
- The Group's range of products in all countries extends to nearly all lines of business, with a focus on individuals and small and medium enterprises; the motor insurance sector is the largest sector, accounting on average for almost 40% of the total business.

## Policies by line of business

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	8,354,356	8,440,133	337,229	305,917	6,796,230	6,751,932	5,157,138	5,131,374	20,644,952	20,629,356
AUSTRIA	1,121,742	1,115,273	733,171	749,619	2,389,851	2,279,934	3,419,309	3,974,103	7,664,073	8,118,929
FRANCE	2,254,947	2,265,254	739,006	890,558	2,068,574	2,105,100	2,595,512	2,708,985	7,658,039	7,969,897
GERMANY	12,504,243	12,357,045	1,359,950	1,487,503	4,689,467	4,591,268	12,786,919	12,598,035	31,340,579	31,033,851
SPAIN	622,823	629,604	80,411	89,539	1,188,965	1,184,650	1,629,535	1,663,880	3,521,734	3,567,673
SWITZERLAND	480,866	502,414	73,190	70,459	339,775	343,626	467,527	479,114	1,361,358	1,395,613
<b>TOTAL</b>	<b>25,338,977</b>	<b>25,309,723</b>	<b>3,322,957</b>	<b>3,593,595</b>	<b>17,472,862</b>	<b>17,256,510</b>	<b>26,055,940</b>	<b>26,555,491</b>	<b>72,190,735</b>	<b>72,715,319</b>
<b>INCIDENCE %</b>	<b>35.1%</b>	<b>34.8%</b>	<b>4.6%</b>	<b>4.9%</b>	<b>24.2%</b>	<b>23.8%</b>	<b>36.1%</b>	<b>36.5%</b>	<b>100.0%</b>	<b>100.0%</b>

- Overall, the number of policies rose by 0.7%, with an increase in the health sector, primarily in France (+20.5%) and Spain (+11.4%) and in other non-life lines of business, particularly in Austria (+16.2%). A slight fall in the number of life and motor insurance policies has been recorded.
- Comparison of the number of policies against the number of clients shows that, on average, clients hold more than one policy with Group companies. In particular, each client in the life sector has on average 1.7 policies, in line with prior years.
- The breakdown of the insured portfolio in each country - calculated as the ratio of the number of policies taken out in the individual lines of business of each country to the total number of policies for the country - reveals significant differences. There is a general predominance of non-life contracts (taken as the amount of motor, health and other non-life policies); however Italy and Germany have a significant number of life policies (41-40%). Conversely, in Austria and Spain, motor and other non-life policies make up more than 80% of the insurance portfolio.

In line with the Group's growth strategy in the Sustainability Report area, which primarily focuses on developing the individual risk segment, group policies represent just 6.7% of the total.



## Clients policies

### Product policies

The Group is committed to managing client relations and to developing its products in accordance with the guidelines as set out in the Ethical Code, that are the principles of fairness, honesty, impartiality, confidentiality, transparency and cooperation.

Clients loyalty is one of the Group's key objectives in terms of maintaining market competitiveness and consolidating the business targets it has achieved. In this context, customer satisfaction is of key importance and the Group's ability to constantly respond to its customers' needs and expectations is essential for developing and maintaining a suitable degree of loyalty for lasting relations. In ordinary insurance and banking operations, compliance with shared commitments and principles is achieved through:

- simplified processes and consumer involvement in product innovation;
- continuous and clear information on the product range;
- transparency in conducting all transactions;
- continuous and timely training for the sales networks;
- performance monitoring, the checking of results achieved and the planning of service improvement measures.

In recent years, growing awareness of social and environmental issues has prompted various Group companies to develop social insurance products. Only some of these products are policies in their own right, more often they represent optional cover that may be added as part of broader cover (for example household cover, third party liability - TPL - cover, etc.). Such cover is now being requested with increasing frequency. Yet, only certain companies have taken out this type of cover under stand-alone policies. In 2009, premiums of around 550,000 euros have been collected for social insurance products and premiums totalling more than 200,000 euros for environmental insurance products. The implementation of procedures for the measurement of this information, which includes optional cover, is expected to be in place in all Group companies in the medium term.

### Products with particular social value

By their very nature, **insurance products** have a certain social value in that they provide a solution for meeting client needs: in this context, insurance products linked to social-demographic changes and to the gradual reduction of public services, are of particular relevance.

#### Dread Disease policies

These are pension products, sold in Italy and Israel, which can be offered under separate cover or combined with a life policy. The policy guarantees the payment of a lump sum or life annuity upon the occurrence of one of the serious illnesses covered by the policy, to meet the cost of care and reduced income resulting from an inability to work.

#### Long Term Care policies

These are policies sold in all countries except Spain, which envisage the payment of a lump sum or life annuity to cover the cost of assistance in the event of the loss of self-sufficiency and inability to perform daily activities, which may simply result from old age.

#### Policies for specific categories

Products for young people: in Italy in 2009, Assicurazioni Generali launched the multi-risk product Primodomani for its young clients, which is made up of three parts: savings (an accumulation plan), safety (accident, liability and assistance cover) and protection (financial protection for children in the event of the premature death of a parent). This product range is also available in Germany, Israel and Switzerland.

Products for the elderly: most companies are able to offer policies specifically targeting the needs of people over the age of 50. In particular in 2009, the distribution of Vivifuturo, an innovative, integrated savings and health cover solution for people between the ages of 50 and 70, was extended to the majority of companies in Italy, in addition to France and Germany.

Products for the disabled: in Italy, a special roadside assistance cover for drivers of adapted vehicles has been developed. In Spain, special pension funds and household policies, which can be integrated with home automation system cover, have been introduced for disabled clients.

### Policies that reward the virtuous conduct of the policyholder

A number of Group policies promote the benefits of a healthy lifestyle. Virtually all Group companies offer life policies with lower premium for non-smokers or the application of a higher premium for smokers.

In Italy, as an incentive to promote studies, INA Assitalia and Toro, guarantee an insured capital bonus if young policyholders pass their high school diplomas or degree examinations with excellent marks.

### Healthcare prevention policies

In Italy, INA Assitalia joined forces with the O.N.D.A. - Osservatorio Nazionale sulla salute della Donna (National Observatory on Women's Health) with the aim of supporting and developing a programme for the prevention and early diagnosis of women's diseases. As part of this programme, the company updated its Salute sicura policy, adding a prevention programme which includes a series of check-ups (the first of which is free) throughout the term of the policy. Similarly, Assicurazioni Generali has added health cover, which includes a prevention plan with comprehensive, two-yearly check-ups to its Da Donna policy.

### Other insurance initiatives

In Austria, the unemployed are able to suspend payment of health policy premiums, which remain in force during periods of unemployment; similar concessions are also available in Germany, for a maximum period of two years.

In France, an innovative household policy has been launched, which includes multiple fire and theft cover. On taking out this type of policy, policyholders receive two free smoke detectors from Generali.

In Germany, reduced rates of professional disability cover are available for young businessmen and liability policies are available for people involved in volunteer work.

In recent years, most Group companies have introduced road safety products which aim to promote careful and responsible driving in a bid to reduce accidents.

For example, the contractual conditions of motor policies often limit insurance benefits for drivers who fail to wear their seatbelts or are guilty of driving under the influence of alcohol or drugs.

In the field of **bank products**, two Banca Generali current accounts (Friendly and Advantage) are dedicated to members of the AISM - Associazione Italiana Sclerosi Multipla (Italian Multiple Sclerosis Association) who were involved in their definition. The products combine favourable financial terms and particularly simple operation, making them highly accessible, secure and tailored to the client's needs.

## Products with particular environmental value

Eco-compatible behaviour can also be encouraged in clients through the planning and provision of products and services. Group **product ecology** is reflected in a number of non-life business initiatives, with policies and cover for both individuals and the corporate segment.

### Insurance products

In the **corporate** sector, the Group aims to involve insured companies in its effort to comply with existing environmental protection legislation and in the prevention of risks, making insurance cover subject to minimum measures being adopted and adapting the price in relation to the measures adopted. To this end, Group policy for the assumption of property and third party liability risks requires that companies presenting a high risk under the social and environmental profile be carefully assessed and provides preventive advice with the aim of assisting clients to implement safety measures to reduce risk exposure. Premiums may be increased when formal and/or substantial shortfalls are found in the prevention measures adopted, and, in more serious cases, the Group may refuse to provide insurance cover.

Insurance conditions may include specific incentives to prevent or limit environmental damage during the period of insurance. For example, in Italy, Assicurazioni Generali's pollution TPL policy provides compensation for temporary emergency measures implemented to prevent or contain claimable losses and excludes losses arising from non-compliance with legal provisions or from intentional failure to prevent the occurrence of such losses.

As an incentive for the promotion of eco-sustainable behaviour, Group companies provide discounted tariffs for those companies that present lesser risks to the environment. In particular, significant discounts are available in France for CAR policies for HQE-certified buildings (High Environmental Quality), and in Spain, for environmental liability policies for large and medium, environmentally certified enterprises.

In France, Generali offers small and medium enterprises a free environmental risk assessment which, in some cases, can result in the awarding of the Agir pour notre avenir (Take action for our future) label, which rewards the customer with lower premiums and additional services.

In Austria and France, specific cover is available in the building sector for equipment used in the production of renewable energy (solar and photovoltaic panels, heat pumps, geothermal and aero thermal power plants, wind engines, etc.). In Spain, specific cover for these facilities is provided under CAR policies (risks in the construction of public buildings), EAR policies (plant and machinery assembly risks) and ALOP policies (risk of economic loss deriving from a delay in start-up and/or the commissioning of a plant or building due to an accident covered in the CAR/EAR policy).

In the **individual clients** segment, the focus placed by Group companies on eco-sustainable client behaviours are also reflected in the variable discounts applied to the TPL policies for the following vehicles:

- “green” vehicles - namely electric, hybrid, gas powered or similar vehicles (in Italy, France, Austria and Switzerland);
- “low CO<sub>2</sub> emission” vehicles (in Austria, France and Switzerland);
- vehicles with low annual mileage (in Italy, Austria, France, Germany and Switzerland).

To encourage the installation of equipment for the production of renewable energy in homes, specific covers have been developed alongside traditional third party liability cover, to protect against damage to solar or photovoltaic panels or to similar installations arising from atmospheric events. In particular Generali France covers the full cost of repairing equipment in the first 30 years and, thanks to an agreement with one of the leading operators in the energy sector, provides client incentives for the installation of photovoltaic panels through guaranteed access to favourable finance terms. To complete the service offered, the household insurance policyholders in Austria are eligible for free advice to identify possible ways to optimise energy consumption in their homes and thus reduce emissions that are harmful to the environment.

### **Banking and investment products**

Generali offers its clients various **funds** linked to the environmental protection and sustainable development (renewable energy, water treatment, recycling of waste, etc.) sectors, which may also be selected as unit-linked investments in both France and Switzerland.

In Germany, Deutsche Bausparkasse Badenia grants special loans for the construction and restoration of buildings meeting ecological criteria and to cover the cost of energy systems in general, even with a view to energy-saving in alterations.

## **Risk prevention**

### **Health and domestic accidents**

The Generali Group offers its clients various types of policies that promote the prevention of illness through the adoption of healthy lifestyles, which support health prevention plans through regular check-ups, as described in the Products with particular social value section.

In France, as part of its collaboration with the national association (FFSA), Generali France became one of the founding companies of the Association of Health Insurers (APS), which publishes illustrated guides on health-related matters and on the prevention of domestic accidents. The free guides are distributed through insurance companies, schools, pharmacies and doctors' clinics and can be downloaded from the [www.ffsa.fr](http://www.ffsa.fr) website and from the Generali website, [www.agirpourmasante.com](http://www.agirpourmasante.com), which also provides information on ways to stop smoking and controlling stress.

In Switzerland, agencies distribute brochures developed by the Swiss Council for Risk Prevention, which provide practical information on how to avoid damage to homes caused by water spills etc..

### **Road traffic**

In recent years, the Generali Group has developed a number of road safety initiatives.

In Italy, to act on the behaviour of young people at the wheel, the ANIA - Associazione Nazionale fra le Imprese Assicuratrici (Association of National Insurance Companies), Traffic Police and Consumer Associations have signed up to the initiative Patto per i giovani (Youth agreement), to which Group companies have adhered, providing discounted tariffs for young people in specified age brackets who agree to comply with the moral conduct set out in the policy, such as not driving while under the influence of alcohol or drugs, not using mobile phones while at the wheel, wearing

seatbelts and fastening their crash-helmets (when on a motorbike), etc.. Italian Group companies are also members of the Italian Foundation for Road Safety, set up within ANIA at the request of the insurance companies, which provides useful information on safe travel, road traffic risks and current or upcoming initiatives on its [www.smaniadisicurezza.it](http://www.smaniadisicurezza.it) website. The Foundation aims to reduce traffic risks by promoting road traffic education and safe driving habits. It especially targets young adults, with initiatives such as campus initiatives, projects for new drivers, prize competitions, initiatives providing an understanding of the risks of drunk driving, etc. The following initiatives are currently underway: Guido con Prudenza (Prudent driving) to encourage the use of a designated driver, Io Dissuado (the Dissuader), to raise awareness of the risks arising from alcohol and drug use and to involve the public as “dissuaders” of incorrect behaviour behind the wheel, and Black point, a project devised to record vital road traffic information (dangerous crossroads, bad road conditions, etc.) reported by users, with the aim of preventing road traffic accidents. Another noteworthy Foundation initiative is the Scatola Rosa (Pink Box), a satellite communication device providing security for women drivers involved in accidents or attacks.

In Austria, clients purchasing a special roadside assistance package are offered a complementary safe driving course. In France, an initiative called Easy Drive has been launched. The initiative targets young adults and aims to reduce accidents (particularly those occurring at night), by offering reduced policy premiums in return for a monthly restriction on the distance covered and the application of a surcharge for the use of vehicles at night. Responsible driving booklets have also been developed for clients and reflective jackets and triangular warning signs have been distributed.

In Germany, Generali Versicherung collaborates with the national association GDV, participating in initiatives to raise awareness on traffic risks through the distribution of pamphlets.

In Spain, the Group collaborates with the national association (UNESPA) by supporting road safety campaigns and participating in research programmes for vehicle safety promoted by the Zaragoza Centre, UNESPA's research institute for vehicle repair and safety.

## Service policies

Generali Group's commitment to increasing the level of customer satisfaction is also reflected in the continuous development of solutions and initiatives to improve the services it provides. It analyses processes and monitors activities to continuously check the initiatives it has implemented, with the aim of identifying areas of improvement. To maintain consistently high quality standards of service, focusing on client needs, the Group provides:

- simple access to products and services;
- clear and transparent information on the services it provides, in line with professional ethics;
- adequate and comprehensive advice at the various stages of contractual relations;
- timely response to anomaly reports.

Service development and innovation aims to simplify communication with the public and to integrate channels so as to facilitate client access to the products distributed by different means.

In recent years, the range of traditional communication tools available to Group companies has been expanded to include the Internet and call centre channels, which reach out to a greater number of users and make contact easier. All companies have successfully increased public access to their products and services by developing and continuously updating their **website**, which has a range of different functions and applications, depending on the type of service being provided. The majority of website pages have been designed in accordance with the main W3C (World Wide Web Consortium) accessibility guidelines.

The main services available through the **websites** are shown in the following table.



INSURANCE COMPANIES	BANKS
<p><b>Insurance companies</b> provide the following:</p> <ul style="list-style-type: none"> <li>• search tools for the identification of agencies and claim settlement offices by area</li> <li>• a contact us section through which the client can contact the company directly</li> <li>• product information in terms of content and guaranteed cover</li> <li>• a glossary</li> <li>• an FAQ section</li> <li>• up-to-date share listings and historic performance of ordinary shares, management funds and indexes</li> <li>• description of available after-sales services (claim forwarding, advice of claim, etc.)</li> <li>• information on approved facilities in the area</li> </ul> <p>Some companies in Italy, France, Germany, Israel and Switzerland provide web applications for the calculation of quotes, complementary pension product simulations and the payment of policy premiums. On the Assicurazioni Generali, INA Assitalia, Genertel and Genertellife websites in Italy, the Generali France website, Cosmos website in Germany and Migdal website in Israel, limited access areas are available for clients to check their insurance and/or pension policy statements, to change their personal details, to request tailored quotes and to pay their policy premiums. Complete security and confidentiality of data and transactions is guaranteed by a two-level login system: username and personal password. Payment facilities are located in protected areas.</p>	<p><b>Banks</b> provide the following:</p> <ul style="list-style-type: none"> <li>• search tools to locate branches</li> <li>• a contact us section where the client can contact the bank directly</li> <li>• information of bank products and transactions</li> <li>• an FAQ section</li> <li>• up-to-date listings and market performance of ordinary shares, managed funds and indexes</li> </ul> <p>On Banca Generali Group websites in Italy and on the websites of Generali Bank in Austria and of BSI in Switzerland, home banking facilities offer the customer a range of functions such as conventional banking transactions, transactions list, share and asset statements and the option to open accounts online. Complete security and confidentiality of data and transactions is guaranteed by a two-level login system: username and personal password.</p>

In most Group companies, the multi-channel client approach includes an additional contact tool: the **call centre**. Companies use the telephone service to provide their clients with remote support and longer opening hours, which may extend through the night for emergency response cover (roadside assistance, healthcare and household emergency cover).

Clients and potential clients can receive assistance on a number of levels through the **call centres**, as indicated in the following table:

INSURANCE COMPANIES	BANKS
<p>Skilled operators provide the following for <b>insurance companies</b>:</p> <ul style="list-style-type: none"> <li>• general product information</li> <li>• insurance policy advice</li> <li>• information on after-sales services</li> <li>• support in navigating the Company website</li> <li>• quotes and/or share simulations</li> <li>• a timely response to reports of bad service</li> <li>• assistance in filling out the advice of claims and completing the paperwork</li> </ul> <p>Some companies in Italy (Genertel and Genertellife), in Germany (Cosmos) and Europ Assistance companies also use this channel to sell policies. In this case, clients can contact call centres:</p> <ul style="list-style-type: none"> <li>• for information on payment methods</li> <li>• for information on insurance cover in place for each contracting party</li> <li>• to change, amend, suspend or terminate the policy</li> <li>• for quotes for other risks with favourable terms</li> <li>• to update their personal details</li> </ul>	<p>Skilled operators provide the following for <b>banks</b>:</p> <ul style="list-style-type: none"> <li>• assistance on products and applicable conditions</li> <li>• financial advice on markets and offers</li> <li>• information on after-sales services</li> <li>• support in navigating the bank's website</li> <li>• information on the sales networks</li> <li>• a timely response to reports of bad service</li> </ul> <p>The Banca Generali group in Italy and Generali Bank in Austria provide additional services via telephone, which allow clients to transact on their own current accounts to:</p> <ul style="list-style-type: none"> <li>• arrange one-off and regular bank transfers</li> <li>• apply for credit cards or cash cards, cheques, Internet access codes, etc.</li> <li>• trade in shares</li> </ul>

A number of nationwide initiatives have been introduced to improve the diffusion of **insurance and financial know-how** and make it available to an increasingly vast public.

All websites provide: a glossary, the contractual conditions with explanatory notes and an FAQ section which provides clarification on the most common subject-related questions.

Information and insurance/financial literacy programmes have been implemented by the majority of Group companies, through the issue of newsletters and leaflets to clients and consumers, to make it easier to understand industry terminology, primary insurance cover, basic financial instruments and new regulations.

In Switzerland, BSI is a member of the national association ASB, which has a dedicated banking and financial training website aimed at young people: [www.juniorbank.ch](http://www.juniorbank.ch).

A marked change in the client base has been seen in recent years. It is now becoming more and more diverse in terms of provenance and culture. This has prompted some Group companies to translate their company literature into the languages which are most prevalent in their area. In Spain in particular, brochures are also available in Romanian and Arabic.

The **marketing communication**, which includes advertising, promotion and sponsorship initiatives, "in line with the fundamental ethical values of the civil society to which it is aimed, shall always guarantee the veracity of its content and reject any coarse or offensive messages", in keeping with the provisions of the Group's Ethical Code and with the directives issued by the relevant Supervisory Authorities. In addition to this, the spontaneous adoption by several Group Companies of voluntary or self-regulatory codes also attests the Group's desire to express social responsibility concepts through marketing, with the aim of establishing and maintaining serious, long-term client relations.

These include: the adhesion of the Parent Company and several other important Italian companies (Alleanza, FATA, INA Assitalia and Toro) to the Advertising And Marketing Communication Self-Discipline; adhesion to the Code of Advertising Self-Discipline and Advertising Practice and to the Transparency Code in Spain; adhesion of Generali Group Switzerland to the Ethical and Self-Discipline Chamber for Swiss Direct Marketing (Mass Marketing) Activities, as a permanent member. In 2009, no cases of non-compliance with regulations or voluntary codes were reported regarding the marketing communication of Group companies.

## Management of non-life claims

In the non-life insurance sector, client service quality is mainly measured at the claim settlement stage.

In all countries except France the Group is equipped with common facilities to optimise claim management procedures and to facilitate the settlement of claims. In particular, in Italy such management is almost entirely entrusted to Generali Business Solutions, with the sole exception of large claims for elementary and property lines of business and claims that Genertel clients are involved in, which are handled by the company's own claim settlement department.

In Germany, AMB Generali Schadenmanagement was established in 2007 to manage and settle claims on behalf of all Group companies. In Italy, Austria, France, Germany and Switzerland, simplified procedures have been introduced for the settlement of "simple" claims, namely those relating to damage to property involving small levels of compensation, to improve customer service and, in particular, to reduce the number of days it takes to settle a claim.

To reduce claim settlement timeframes, all process levels leading to claim settlement are continuously monitored and analysed. The services offered to customers by most Group companies during the various claim management stages are shown in the table below.

For further <b>information</b> and <b>assistance</b> , clients can:	<ul style="list-style-type: none"> <li>• contact the agency</li> <li>• contact the call centre. In Italy, Assicurazioni Generali has introduced a "call-back" system, which allows clients to schedule a return call if the line is busy</li> <li>• navigate the website: for some companies this includes an online advice of claim form</li> <li>• in Italy, Austria and Switzerland, approved vehicle body shops provide assistance with the paperwork</li> </ul>
The <b>advice of claim</b> can be forwarded by any of the following methods:	<ul style="list-style-type: none"> <li>• through the agency</li> <li>• through the call centre: which may be dedicated to providing customer support or assistance to the sales network, in processing the claims collected by the agency, as is the case in France and in some companies in Italy</li> <li>• through the online advice of claim forms available on the websites of various companies in Italy, Austria, France, Spain and Israel</li> </ul>
<b>Agent contact</b> details are available:	<ul style="list-style-type: none"> <li>• from the agency when the advice of claim is made</li> <li>• from client call centres or, as in France, from sales network call centres</li> <li>• from approved vehicle body shops in Italy and Austria</li> <li>• by text message. Service only available in Italy for Genertel clients and in Spain and Austria. A remote survey system is available in Austria and in France which reduces both the travel demands on the survey agents and inconvenience to the client</li> </ul>

Unlike other countries, in Switzerland, all claim details are recorded via the call centre or through the website, however this channel is still not commonly used.

Agreements and conventions with healthcare facilities, doctors, roadside assistance providers, body shops, care hire firms, etc. have been entered to facilitate client access to the services provided. In all countries agreements are in place with mobile garages specialising in the repair and replacement of damaged windscreens. Group company supplier selection procedures aim at guaranteeing a high level of customer service. Some agreements also envisage cover that does not require advance payment and/or that fully reimburse losses without application of a deductible. In Italy, Generali Group provides innovative services, which include a list of trusted garages Carrozzeria SiCura, to simplify claims handling and claims assistance. This list includes a network of almost 1,000 garages throughout the country, which undergo regular quality checks by the Italian regulatory body for motor repairs. This is the only research centre in Italy committed to testing vehicle vulnerability and reparability which, through greater care in the vehicle repair phase, is able to provide customers with excellent levels of service and contain the cost of claims. Carrozzeria SiCura information is distributed by all approved agencies and body shops and provides information on the network and on the exclusive advantages reserved for Group clients. The number of repairs carried out by the network has increased by approximately 30% in the past year. In France, the approved body shop network comprises of more than 2,000 facilities, which are also able to carry out remote claims assessments. In 2009 in Germany, an agreement for the use of the trusted body shop network of HUK Coburg insurance company was entered into, thus giving clients a much faster and efficient claim repair service while at the same time reducing costs.

## Non-life claims

	CLAIMS REPORTED		CLAIMS SETTLED		SUMS PAID*	
	2008	2009	2008	2009	2008	2009
ITALY	1,998,706	2,103,941	1,764,467	1,903,131	4,571,989	4,825,154
AUSTRIA	825,987	832,845	870,878	853,777	901,437	906,786
FRANCE	795,855	718,830	661,803	707,599	1,439,644	1,478,065
GERMANY	3,400,843	3,506,766	2,854,221	2,954,247	2,506,341	2,595,189
ISRAEL	n.a.	n.a.	n.a.	58,048	209,910	205,010
SPAIN	1,783,651	1,814,559	1,717,382	1,745,432	942,844	983,380
SWITZERLAND	199,900	226,536	194,254	222,485	286,966	325,375
<b>TOTAL</b>	<b>9,004,942</b>	<b>9,203,477</b>	<b>8,063,005</b>	<b>8,444,719</b>	<b>10,859,130</b>	<b>11,318,960</b>

\*VALUES IN THOUSANDS OF EUROS

- In 2009, Group companies received more than 9.2 million claims, an increase of 2.2% since 2008. The distribution of claims in the various countries is consistent with the distribution of insured risks. Claims were mainly concentrated in Germany (38%), where the greatest number of non-life policies are in place.
- Last year, the Group paid more than 8.4 million in claims (+4.7% on 2008), for an overall sum in excess of 11 billions of euros (+4.2% on 2008). Only some of the claim settlements were related to claims made in the year, while the remainder of the claims were made in previous years.

## Speed of settling motor claims

	2008	2009
ITALY	59.7%	60.7%
AUSTRIA	69.4%	69.7%
FRANCE	59.8%	61.0%
GERMANY	65.2%	65.7%
ISRAEL	49.6%	49.4%
SPAIN	74.0%	73.6%
SWITZERLAND	71.7%	72.3%

- One of the factors of greatest influence on client/injured party satisfaction at the time of the claim settlement is the time taken for compensation to be paid. The percentage of claims made and not cancelled in the year, that were

settled in the same year is shown in the table. The percentage recorded in the current year is an indicator of the time taken to handle claims through to settlement with the relative payout to the assured/injured parties.

- Most countries recorded an increase in the time taken to settle claims. Claims are settled more quickly in Spain, despite a slight slowdown in the past year, and in Switzerland, where more than 7 out of 10 claims are settled within the year.
- Accurate assessment of the efficiency of a company's settlement procedures in a given country would require more accurate information, which is currently not available, on the characteristics of insured risks for the various lines of business and the resulting types of loss, which can require fairly lengthy technical assessment timeframes to quantify the damage incurred.

## Services for policyholders in the life line of business

The Group life insurance sector has also reached significant proportions, in terms of amounts paid to policyholders (or their beneficiaries) on policy maturity or following a claim (death, permanent disability, etc.).

### Claims and expiring policies

	NUMBER OF CLAIMS		SUMS PAID FOR CLAIMS*		NUMBER OF EXPIRING POLICIES		SUMS PAID FOR EXPIRING POLICIES*	
	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	10,865	14,265	248,797	288,675	300,735	311,246	4,495,640	4,617,437
AUSTRIA	7,442	9,114	41,677	44,547	67,053	85,574	556,262	629,246
FRANCE	n.a.	n.a.	1,465,562	1,428,278	n.a.	n.a.	592,030	606,341
GERMANY	79,303	80,123	525,939	491,932	448,073	442,669	3,601,893	3,514,290
ISRAEL	62,657	65,597	163,419	161,293	5,652	6,823	103,114	92,627
SPAIN	4,592	4,008	91,219	92,437	32,585	37,527	1,028,807	1,111,855
SWITZERLAND	2,996	3,027	58,967	68,664	7,446	6,726	217,792	213,727
<b>TOTAL</b>	<b>167,855</b>	<b>176,134</b>	<b>2,595,580</b>	<b>2,575,825</b>	<b>861,544</b>	<b>890,565</b>	<b>10,595,537</b>	<b>10,785,522</b>

\*VALUES IN THOUSANDS OF EUROS

- In 2009, more than one million life policies were settled, with an increase of 3.6% due to an increase in both the number of claims and policies due to expire.
- In the life insurance sector, payments to policyholders/beneficiaries totalled 13.4 billions of euros; the majority of payments - in the form of a lump sum or life annuity - related to matured savings policies totalling 10.7 billions of euros. Payouts for claims relating to death or permanent disability arising from illness totalled almost 2.6 billions of euros.
- For Israel, performance regarding the life lines of business also included claims on health policies.

## Complaints

Group insurance companies handle claims in full compliance with current regulations in the countries where they operate and in application of internal procedures.

To promote dialogue, multiple channels have been set up for the forwarding of reports, as indicated in the terms of contract and on the websites. Clients can submit a complaint by letter, fax, telephone, e-mail or by filling out the relevant form in the contact us section of the website of certain companies.

Country	Complaints handling procedure
Italy	Each company has a dedicated organisational unit which handles complaints and monitors complaint processing activities. The Internal Auditing Department is responsible for managing the electronic log required by the Supervisory Authorities and for preparing a quarterly Top Management report.
Austria	Complaints are handled on a local level in order to provide the client with a rapid and punctual response and to resolve the problem in the branch directly. All reports are centrally monitored by a person employed in the Exklusiv Vertrieb Department, which is responsible for providing periodic information to Top Management and for suggesting changes to improve the service.





Country	Complaints handling procedure
France	There are five operating units, each with their own area of competence, which gather information, assess claims and report to a dedicated department which, among other things, monitors activities. The Ombudsman is also involved in analysing the reports made: the Ombudsman is an independent person whom clients may contact if they are dissatisfied with the response they have received to a complaint. In 2009, Generali France prepared a "complaint handling policy" to coordinate the various activities across all companies and to define complaint handling commitments, objectives and responsibilities.
Germany	Each individual company handles its own complaints through dedicated administrative departments which analyse reports, monitor activities and provide a regular report for Top Management. As required by current regulations, letters of response to complaints must be signed by a member of the Board of Directors.  German companies are members of the Ombudsman Association: an independent institution that clients may contact for the out-of-court settlement of disputes.
Israel	All complaints are recorded on receipt and are handled by a dedicated department, which works in collaboration with the various areas and prepares monthly, quarterly and annual reports for Top Management. The complaint handling structure also includes the Ombudsman department which checks and controls all complaints received by the company from clients and injured parties, suppliers, consumer associations, etc..
Spain	A customer complaints office files, analyses and settles the complaints. It also prepares an annual report highlighting the main areas of complaint and provides suggestions on how to improve services.
Switzerland	The Legal and Compliance Department is responsible for all complaint handling activities and prepares an annual report for the Managing Director of the Generali Group Switzerland and is also involved in analysing critical issues, in order to identify areas of improvement.

## Insurance complaints

	RECEIVED		ACCEPTED		REJECTED		OUTSTANDING		ACCEPTED/RECEIVED	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	22,746	25,552	10,907	9,982	10,423	14,004	1,416	1,566	48.0%	39.1%
AUSTRIA*	564	508	470	446	89	62	5	0	83.3%	87.8%
FRANCE	2,277	2,560	1,004	810	1,176	1,676	97	74	44.1%	31.6%
GERMANY	48,578	59,662	26,247	34,962	21,817	23,981	514	719	54.0%	58.6%
SPAIN	2,072	2,212	812	869	1,211	1,299	49	44	39.2%	39.3%
SWITZERLAND	42	80	27	22	12	51	3	7	64.3%	27.5%
TOTAL	76,279	90,574	39,467	47,091	34,728	41,073	2,084	2,410	51.7%	52.0%

\* DATA REFER ONLY TO GENERALI VERSICHERUNG AG

- In 2009, insurance companies received more complaints than in the previous year, numbering 12.5 in every 10,000 policies.
- The figure falls to 6.5 complaints in every 10,000 policies if only upheld complaints are taken into consideration, that is those which have been deemed as justified. In spite of a 19.3% increase, upheld complaints account for just over half of all complaints received.
- There is a clear concentration of upheld complaints: around 74.2% in fact relate to Germany, which has 11.3 complaints in every 10,000 policies.
- In the majority of cases (92%) the complaint is made by the contracting party/policyholder, whereas it is made by the injured party/beneficiary in only around 8% of all cases.
- Only partial information on the average number of days required for the processing of upheld complaints is available. The average processing time in countries for which data is available varies between 5 days in Austria and 55 days in Spain, where the maximum timeframe set out by existing legislation (Order ECO 734/2004) for the processing of complaints is 60 days from the date of receipt.

## Complaints by area

	ADMINISTRATIVE AREA		UNDERWRITING AREA		SETTLEMENT AREA	
	2008	2009	2008	2009	2008	2009
	ITALY	14.5%	13.8%	19.8%	17.2%	65.7%
AUSTRIA	31.9%	25.8%	61.5%	70.5%	6.6%	3.7%
FRANCE	17.7%	19.5%	43.6%	37.7%	38.7%	42.8%
GERMANY	67.2%	68.7%	14.3%	15.0%	18.5%	16.3%
SPAIN	14.6%	15.1%	24.9%	19.9%	60.5%	65.0%
SWITZERLAND	9.5%	10.0%	7.1%	5.0%	83.4%	85.0%
TOTAL	48.3%	50.2%	17.4%	16.7%	34.3%	33.1%

- Approximately half of all complaints are of an administrative nature (50.2%), accounting for the majority of complaints in Germany (68.7%), due to the difficulties encountered by clients in understanding policy terms and in the time taken to complete the procedures.
- Another third of complaints relate to settlements (33.1%), where policyholders' grievances were primarily due to delays in payment of compensation or to the amount of the reimbursed sums being deemed to be insufficient. This area accounts for the majority of dissatisfied customers in nearly all countries.
- Only in Austria did the majority of complaints relate to underwriting (70.5%) and are ascribable to delays in issuing contracts and complaints relating to contractual matters.

## Complaints by line of business

	COMPLAINTS: LIFE POLICIES		COMPLAINTS: HEALTH POLICIES		COMPLAINTS: MOTOR POLICIES		COMPLAINTS: OTHER NON-LIFE LINES	
	2008	2009	2008	2009	2008	2009	2008	2009
	ITALY	36.0%	37.0%	5.1%	5.2%	47.5%	45.3%	11.4%
AUSTRIA	12.2%	9.4%	9.6%	13.4%	17.4%	21.9%	60.8%	55.3%
FRANCE	41.9%	56.1%	6.1%	4.1%	17.5%	10.5%	34.5%	29.3%
GERMANY	51.9%	53.4%	3.2%	2.7%	20.4%	17.2%	24.5%	26.7%
SPAIN	9.6%	5.2%	4.6%	14.9%	14.4%	7.5%	71.4%	72.4%
SWITZERLAND	7.1%	10.0%	26.2%	11.3%	42.9%	64.9%	23.8%	13.8%
TOTAL	45.3%	47.4%	4.0%	3.8%	28.3%	24.8%	22.4%	24.0%

- The majority of complaints relate to life policies and are the direct result of the high concentration of complaints in this sector in Germany. This is due to a decision by the Federal Supreme Court in October 2005, which ruled that certain life policy clauses were not transparent and were therefore invalid. The court ordered the company to replace the clauses with a minimum return calculated according to a formula defined by the Court itself. The decision led to numerous complaints relating to the recalculation of interest applied to life policies underwritten between 1994 and 2001.

Group **banks** are organised differently as far as the complaint handling process is concerned, due in part to legislation in the various countries. All institutions have a department which is responsible for the handling and analysing of complaints and monitoring activities for the identification of possible improvement measures.

In the **Banca Generali** group, the customer complaints office which is a part of the bank's Internal Control unit is responsible for handling complaints relating to the bank and its subsidiaries. The unit collects and analyses complaints received and forwards them to the appropriate organisational unit for resolution. Its duties include the keeping of a complaints register and the preparation of the relative Supervisory Authority notifications. Specific controls and a general monthly audit are performed to check the activities and report any anomalies in the various company structures. In Austria, **Generali Bank** records complaints in a special register and, if a direct solution to a complaint cannot be found, the complaint is forwarded to a specific internal department and referred to a member of the Board of Directors. All telephone conversations with clients are recorded for security purposes.

In Germany, **Bausparkasse Badenia** has set up a special complaints handling unit which, as in Banca Generali, is part of its Internal Control unit. It follows all stages of the complaint handling process through to compensation and carries out daily checks on the status of the pending claims. The unit also prepares a quarterly report for the Top Management. In Switzerland, **BSI** has entrusted the Internal Auditing Department to handle complaints. It coordinates and monitors the different stages of collaboration with other departments (Legal, Private Banking, Risk Management and Accounting) and prepares a quarterly report for the General Management and Board of Directors. Since 2009, in a move to improve products and customer service, the office has been working with the BSI Quality Committee, to bring the issues raised in complaints which were not immediately resolvable and which require the contribution of a number of departments, to the attention of the Committee members.

## Bank complaints

	RECEIVED		ACCEPTED		ACCEPTED/ RECEIVED	
	2008	2009	2008	2009	2008	2009
ITALY	588	501	240	137	40.8%	27.3%
AUSTRIA	0	0	0	0	0.0%	0.0%
GERMANY	12,626	10,586	3,224	3,407	25.5%	32.2%
SWITZERLAND	144	243	44	89	30.6%	36.6%
<b>TOTAL</b>	<b>13,358</b>	<b>11,330</b>	<b>3,508</b>	<b>3,633</b>	<b>26.3%</b>	<b>32.1%</b>

- In 2009 the number of bank complaints received fell by 15.2% compared to 2008, while the number of upheld complaints increased by 3.6%. The decrease in the number of complaints in Italy had a significant impact on the overall decrease, where continuous monitoring and monthly analysis of complaints has led to improved client relations.
- Only 32% of complaints received were justified. More than 94% of these related to Germany.
- The most common reasons for complaints are: errors, or presumed operating errors committed by the bank in applying rates or delays in the execution of orders received; discrepancies in products with regard to customer expectations; lack of or incomplete information in the after-sales service.

## Disputes

As at 31 December 2009 in the countries included in the Sustainability Report area, the Group was involved in 114,617 disputes relating to its insurance business and 1,144 disputes relating to bank business, which remain pending. The number of disputes includes cases in which the Generali Group companies are the defendants as well as cases where Group companies have initiated proceedings.

## Passive insurance disputes

	MOTOR: NUMBER		MOTOR: VALUE*		GENERAL TPL: NUMBER		GENERAL TPL: VALUE*	
	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	28,517	27,343	912,082	846,181	12,464	10,347	1,383,600	1,414,454
AUSTRIA	2,000	2,251	86,667	65,120	1,000	685	43,333	33,660
FRANCE	1,301	1,263	81,952	107,110	2,368	2,264	124,717	117,471
GERMANY	7,176	7,695	78,882	43,866	1,509	2,693	40,014	79,465
SPAIN	7,061	7,853	183,853	196,091	4,373	3,106	44,329	42,701
SWITZERLAND	58	64	16,329	23,329	26	17	14,058	7,545
<b>TOTAL</b>	<b>46,113</b>	<b>46,469</b>	<b>1,359,765</b>	<b>1,281,697</b>	<b>21,740</b>	<b>19,112</b>	<b>1,650,052</b>	<b>1,695,296</b>

\*VALUES IN THOUSANDS OF EUROS

- The number of pending disputes is falling, both in the motor and general third party liability sectors.
- In the motor insurance sector, disputes are concentrated in Italy where, despite a reduction of 4% compared to 2008, more than 58.8% of cases are pending. This situation is primarily attributable to the lack of legal mechanisms for

assessing personal injuries, which are generally present in other countries, and to the lengthy timeframes of the Italian justice system.

- As for the value of disputes, recorded herein as the amount requested by the claimants, there was a decrease in the motor sector (-5.7%) and an increase in the general third party liability sector (+2.7%).

In 2009 no Group company was fined by the EU **Antitrust Authority** or by national antitrust authorities. The **insurance regulators** issued fines totalling almost 11.4 millions of euros to Group companies. The majority of fines were given to Italian companies, which attracted fines of more than 10.5 millions of euros for breaches of claim settlement regulations, especially in motor TPL claims and for delays in issuing notifications.

### Passive bank disputes

	NUMBER		VALUE	
	2008	2009	2008	2009
ITALY	12	17	226	2,939
AUSTRIA	0	0	0	0
GERMANY	1,401	787	146,865	80,894
<b>TOTAL</b>	<b>1,413</b>	<b>804</b>	<b>147,091</b>	<b>83,833</b>

**\*VALUES IN THOUSANDS OF EUROS**

- Due to confidentiality, BSI banking dispute figures are not available.
- Cases brought against Group banks, numbering 804, fell by 43.1% in 2009. Their value also fell proportionally and is recorded herein as an amount equivalent to the claims made by the opposing party.
- The main sources of dispute relate to allegations of inefficiently managed banking and investment products, financial adviser breaches or operating errors such as failed, incomplete or late execution of transactions.
- 2009 saw passive disputes in Germany further reduce, particularly in terms of the value of submitted claims (-44.9%). The majority of cases brought against the German bank relate to claims for losses from investors who hold the bank responsible for the negative performance of certain property investments in the early 1990s on account of not having adequately assessed the risks.

In 2009, no Group banks were fined by the national banking regulator.

## Engagement of clients

The Group is continuously committed to improving the quality of its services and therefore places particular attention on dialogue with clients and analyses the results emerging from the numerous surveys it conducts on a regular basis. Findings regarding brand perception and client satisfaction with regard to Generali products and services, as well as surveys on client/consumer expectations and the reasons behind their decisions are the starting point for developing and completing the product range, the internal organisational processes and communication. In certain cases, survey objectives include assessing the level of company services against those of its competitors.

Genertel and Europ Assistance companies are especially active in dialogue with clients, partly because of their specific type of business.



## Customer satisfaction surveys

Type of survey	Method and Frequency	Results
<b>Customer satisfaction</b> at the various stages of the relationship	<ul style="list-style-type: none"> <li>• telephone interviews or web questionnaires</li> <li>• generally once or twice a year, except in Austria and Switzerland where customer service surveys are conducted every 2 years</li> </ul>	<p>In <b>Italy</b>, following a survey conducted in 2008, certain specific actions were introduced to improve satisfaction indicators. Top managers at certain Group companies were posed objectives linked to balanced-scorecards to increase satisfaction indicators. 2009 survey results indicate an overall stable level of customer satisfaction and an increase in some companies.</p> <p>In <b>Austria</b>, surveys assessed customer satisfaction for products and services while comparing the results against competitor products and services. The level of customer satisfaction was particularly high for the energy advice service provided to those holding household policies.</p> <p>In <b>France</b>, customer satisfaction was stable, at a higher level than its competitors.</p> <p>In <b>Germany</b>, the customer satisfaction in the insurance and banking segments remained stable.</p> <p>Only in <b>Switzerland</b> did the surveys reveal a lower than average level of satisfaction in the insurance segment, which led to the introduction of initiatives for improved client relations. Customer satisfaction with banks remained stable, revealing some positive aspects including Group solidity and flexible relations.</p>
<b>Net Promoter Score</b> (survey evaluating the tendency of clients to recommend their insurance company to third parties)	<ul style="list-style-type: none"> <li>• telephone interviews or web questionnaires</li> <li>• vary greatly in frequency: annually in Italy and daily in Israel.</li> </ul>	<p>In <b>Italy</b>, rates remained stable compared to previous years.</p> <p>In <b>France</b>, 69% of the people interviewed would recommend the company and the percentage was even higher in the sales network survey.</p> <p>In <b>Germany</b> the percentage was very positive and showed a marked improvement from previous survey results.</p> <p>In <b>Israel</b>, rates have improved compared to previous survey results.</p> <p>In <b>Spain</b>, around 56% of the people interviewed would recommend the company.</p>
Customer Satisfaction with <b>assistance services</b>	<ul style="list-style-type: none"> <li>• telephone interviews or web questionnaires</li> <li>• generally conducted monthly, except for Europ Assistance companies, which conduct a telephone interview after every claim</li> </ul>	<p>In <b>Italy</b>, the surveys conducted by Genertel reveal constant levels of customer satisfaction.</p> <p><b>Austria</b> has recorded high levels of customer satisfaction.</p> <p><b>France</b> has recorded a good level of customer satisfaction.</p> <p>In <b>Spain</b>, the level of customer satisfaction has remained stable and on par with previous surveys.</p> <p>The results of the surveys conducted by <b>Europ Assistance group</b> companies confirm a high level of customer satisfaction.</p>
Customer satisfaction with the <b>claim settlement department</b>	<ul style="list-style-type: none"> <li>• telephone interviews or web questionnaires</li> <li>• these are conducted for Genertel in Italy on a monthly basis and in Spain on a quarterly basis</li> </ul>	<p>In <b>Italy</b>, the surveys conducted by Genertel reveal stable levels of customer satisfaction.</p> <p>In <b>Spain</b>, the level of customer satisfaction has remained stable compared to previous surveys.</p>

Results indicate a general level of customer satisfaction at all stages of the relationship, from receipt of the initial advice, through to product acceptance and after-sales service. The identification of areas of improvement has enabled prompt intervention and the development of specific actions specifically to improve customer satisfaction indicators. Improvements have been made to: transparent communication, completeness of information, response times to client requests, product range and claim settlement.

## Brand perception surveys

Brand perception, image and advertising surveys are conducted in all countries. Surveys are conducted on consumers drawn from representative samples of the population, generally selected by age and sometimes by more specific criteria (gender, profession, region, etc.); occasionally surveys are also conducted on the sales networks.

**Brand perception** surveys are generally carried out once a year or every six months and every two years in Switzerland. Surveys are often conducted via telephone interviews or paper questionnaires, with the exception of France where one-to-one interviews are conducted.

Results indicate: an improved brand awareness for Genertel in Italy, a significant reduction in the percentage of consumers who are familiar with the Generali brand in France, stable brand awareness in Germany and Israel, where Migdal is the leading competitor, and in Spain and Switzerland, where the brand perception is strong.

In Italy, Toro-Das, which sells legal protection policies, conducted a survey on a sample of agents who do not have company mandate to check their knowledge of the specific market segment in which the company operates. The results were excellent in terms of brand awareness and sector knowledge.

**Company image and advertising** surveys are only conducted in certain countries and use different methods and different participants.

In Italy, Genertel researches image positioning every six months by conducting consumer telephone interviews.

In Austria, quarterly surveys are conducted to evaluate whether advertising messages and communication initiatives are being understood, and are conducted through one-to-one interviews of a representative sample of consumers.

In France, in the past year, research was conducted through a focus group of clients and consumers, revealing good results in terms of image.

In Germany, various risk analysis are conducted on agents and brokers to improve and plan communication strategies. In 2009 a survey was also conducted on a representative sample of people to find out how the Group's advertising initiatives were being perceived by consumers.

In Israel, a telephone survey was conducted on a representative sample of consumers to analyse the effectiveness of a new advertising campaign.

## Other survey activity

In 2009 research was specifically targeted towards understanding the needs, aspirations and attitudes of clients/consumers in order to develop and further improve products and services in all Group companies. The results of these surveys have strengthened client relations in a number of ways.

The below table provides a summary of the most significant surveys conducted in 2009.

Topics	Method and Frequency	Results
Surveys to identify <b>consumer needs and expectations</b>	<ul style="list-style-type: none"> <li>• focus group or telephone interviews</li> <li>• survey subjects: clients and consumers</li> <li>• one-off analysis, repeated annually only in Austria</li> </ul>	<p>In <b>Italy</b> and <b>Germany</b>, survey results contributed to identifying client needs by age group and defining guidelines to develop new products and improve the range of available products.</p> <p>In <b>Austria</b>, research also focused on motor and life insurance, health and the healthcare system and on consumer behaviour for the purposes of obtaining product innovation guidelines, defining the advertising campaign and introducing new services.</p> <p>In <b>France</b>, surveys were conducted to identify client types for the purposes of defining a targeted product range. Results are currently being compared against those of a similar survey conducted in 2007.</p> <p>In <b>Israel</b> the needs of senior citizens were the subject of research and revealed a lack of product knowledge and low confidence in the pension sector.</p>
Surveys on <b>financial decisions by consumers</b>	<ul style="list-style-type: none"> <li>• interviews of people who make their own financial decisions and/or decisions for their family</li> <li>• every six months</li> </ul>	<p>The survey was only conducted in <b>Italy</b> and gave Group companies a comprehensive data system for evaluating financial market trends.</p>
Surveys on <b>services</b>	<ul style="list-style-type: none"> <li>• interviews and focus groups</li> <li>• survey subjects: clients and consumers</li> <li>• one-off analysis</li> </ul>	<p>In <b>France</b>, surveys examined the expectations of clients and potential clients regarding services sold over the Internet and telephone. The results revealed a need for clear, easily accessible communication. To respond to this need, all employees were sent a manual by e-mail, which contained guidelines on the correct method of handling telephone calls.</p> <p>In <b>Israel</b> a survey was carried out to determine whether clients would be receptive to using self-service services. The people interviewed demonstrated a strong interest in this method of accessing services and the results of the survey are currently being evaluated.</p>



MOSAIC OF A MAZE IN PERSPECTIVE  
FROM THE RITTER ESTATE

National Archaeological Museum, Aquileia  
4th century AD

Photo: Neva Gasparo

# CONTRACTUAL PARTNERS

## Strategic partners

Group partners with whom agreements leading to the formation of new subsidiary companies have been entered into play a key role. The sustainability approaches of the Group's main partners in markets offering greater development potential, especially in those markets where Generali is not the majority shareholder, are outlined below.

Generali Group has been active in the life insurance sector in China since 2002, with Generali China Life Insurance Company and in the non-life sector, since 2007, with Generali China Insurance Company through the local partner, **China National Petroleum Corporation (CNPC)**. The CNPC is owned by the Chinese government through the SASAC (the Committee that controls and manages state-owned Chinese companies) and is among the world leaders in the energy sector, particularly in the hydrocarbon market. It operates in the field of extraction and exploitation of crude oil and natural gases, fuel refinement and sales as well as in the production of petrochemicals in 48 countries.

CNPC has adopted a growth strategy that is in line with its mission, Caring for Energy, Caring for You, with the ultimate goal of improving performance in the various business sectors and striving to promote a corporate culture of health and safety, environmental and resource protection, research support and ecological product development.

As for its personnel, a Collective Bargaining Agreement has been adopted for all employees to ensure equal opportunities without any form of discrimination. This includes annual human resource development programmes such as training courses for improving individual skills and worker safety courses compliant with OHSAS 18001. A number of management systems have been implemented to ensure employee safety and the proper classification and management of risks, resulting in a 13% decrease in the number of accidents.

The company is committed to being eco-compatible and respectful of resource conservation, and 216 of its branches are ISO 14001 certified. It has adopted strict management systems and environmental protection programmes to preserve and protect the ecosystem of the areas in which Generali operates. In 2008, the measures adopted allowed CNPC to save 1.92 million tons of standard carbon equivalent and 63.88 million cubic metres of fresh water.

The company supports Green Carbon Fund initiatives to combat climate change and, in 2008, founded the Tianjin Climate Exchange (TCE), the first Chinese agency committed to energy saving and reducing pollution on a global scale through the trade of carbon credits.

CNPC is also committed to community development, which is one of its key objectives. To this end, it supports initiatives for the fight against poverty and for educational projects aimed at improving the level of education in the Chinese population including scientific and cultural expeditions and also donates funds to the disadvantaged communities in the countries in which it operates.

In India, Generali's strategic partner in the Future Generali joint-venture is the **Future Group**, national leader in large scale distribution, operating in various commercial sectors ranging from fashion to leisure, entertainment and financial products. The Future group is characterised by a strong progress-driven spirit and is committed to the continuous implementation of new activities and innovative retail sales methods. The company constantly focuses on protecting its values and promoting the organization's corporate spirit by continuously assessing and improving its procedures, products and services.

In order to meet the challenges of a highly competitive market, the group has developed a creative, dynamic environment by investing in professional training for its human resources and mapping the skills, attitudes, abilities and potential of employees thus providing for the development needs of both the organization and individual employees. The focus on professional training has led to the creation of a dedicated Future Learning & Development unit, which operates through three campuses located in Ahmedabad, Bangalore and Calcutta and is also a point of reference for the selection of candidates for other group and non-group companies.

Pantaloon Retail (India) Limited, a subsidiary of Future Group, continuously collaborates with NGOs and government bodies to recruit employees from the country's rural regions and to promote entrepreneurship among women, making its sales points available for the sale of food, textile or handmade local products made by the members of women's organisations in disadvantaged areas.

**PPF Group N.V.** is Generali's strategic partner in the Generali PPF Holding joint-venture and operates in the insurance markets of Central and Eastern Europe. The international financial group is based in Amsterdam. It is 94.4% controlled by the Czech entrepreneur Petr Kellner and is primarily involved in consumer credit and retail banking activities in Central and Eastern Europe, as well as in China and Vietnam in Central Asia.

PPF Group's growth strategy combines international expansion and adjustment to a constantly evolving market with social responsibility aimed at directly supporting the development of civil society. Human resources management is



closely linked to achieving the objectives of the group, which operates in highly competitive sectors. PPF promotes a corporate culture focusing on the development of human resources, including selection programmes aimed at identifying talented and motivated individuals, training courses focusing on completely developing potential as well as informal and open communication within the company with a view to facilitating employee exchange and participation. In the field of solidarity, the group has sponsored the Educa foundation for a number of years; the foundation provides support to children with disabilities and provides financial assistance to talented students from disadvantaged families to enable them to attend Open Gate, a private high school specialising in languages. PPF also supports Pipan, a school for the educational training and psychological development of deaf children. It is also a founding member, together with other organisations and the University of Prague, of the Sdružení Nové Dejvice Association, committed to promoting business development and urban architecture. The group's commitment also extends to providing economic support for cultural initiatives, particularly in the Czech Republic, such as the Shakespeare Summer Festival. It has sponsored several important projects for the restoration of buildings, housing theatres and galleries. In particular, it has sponsored the restoration of the photography studio of the renowned Czech photographer Josef Sudek, now one of the most important cultural galleries in Prague.

## Suppliers

### Size and characteristics of the clients

	Number of suppliers			
	TOTAL		OF WHICH EUROP ASSISTANCE	
	2008	2009	2008	2009
ITALY	17,679	18,075	5,057	6,207
AUSTRIA	41,968	41,494	40,324	40,000
FRANCE	1,650	1,800	0	0
GERMANY	114,654	103,415	96,148	86,350
ISRAEL	3,422	3,414	0	0
SPAIN	6,231	6,804	5,796	6,363
SWITZERLAND	4,460	4,615	1,540	1,450
<b>TOTAL</b>	<b>190,064</b>	<b>179,617</b>	<b>148,865</b>	<b>140,370</b>

- In countries in the Sustainability Report area, the Generali Group has relations with over 179,000 suppliers generating revenues of 1.7 billions of euros.
- There has been a 5.5% decrease in the number of suppliers since 2008, particularly due to the decrease in Europ Assistance suppliers in Germany.
- The presence of certain Europ Assistance group companies in the report area, whose suppliers account for 78% of the total, is at the root of the high number of suppliers. This also depends on the specific activity undertaken, which envisages the provision of various types of service that require the availability of suppliers (car hire companies, roadside assistance providers, plumbers, smiths, electricians, carpenters, clinics, hospitals, diagnostic centres, analysis laboratories, ambulances, doctors, nurses, physiotherapists, etc.) throughout the country.
- It is partly for this reason that most Group suppliers offer services connected with Group business, while a much smaller number of suppliers provide various services in support of company businesses (cleaning, maintenance, transport, etc.) and the supply of goods.

### Purchasing policies

Since 2005, the Italian Group has followed a specific **Ethical Code for Relations with Suppliers** based on the principles of the Generali Group Ethical Code with reference to the guidelines for a System based on Sustainability and Integrity in Relations with Suppliers drawn up by the Procurement Executive Circle, a community founded by the procurement executives of major companies operating in Italy.

The Code's general criteria are outlined below:

- relations at all stages of the procurement process are based on the principles of legality, transparency, fairness and loyalty;
- loyal and sustainable competition is encouraged, ensuring that anyone meeting the necessary objective requirements can take part in the selection process;

- to avoid any conflict of interest in the awarding of contracts, one person requests the order and another stipulates the contract;
- every reason for the final choice is recorded and all order-related documentation is then scanned so that it is available for subsequent review;
- in particular, great attention is paid to avoid creating or maintaining dominant positions or situations of economic dependence as relates to suppliers: as a general rule, supplies to a Group company should not exceed 30% of the supplier's overall revenues;
- exceptions to the Ethical Code for Relations with Suppliers are permitted, where documented and justified on the basis of clear and transparent rules, only in specific cases of an exceptional and urgent nature.

Austria published its own Code in 2006, which reflects the principles of the Italian Code and develops certain aspects in greater detail, particularly aspects such as sustainability for adaptation to the country's own purchasing procedures. Israel has also amended the part of its Ethical Code, which deals with supplier relations.

Although other countries have not formally adopted the Ethical Code for Relations with Suppliers, they follow procedures that are essentially in line with the principles as set out in the Code: systems implemented include measures to guarantee the transparency of the purchasing processes, the avoidance of conflicts of interest (the roles of parties involved in the decision-making process are kept strictly separate) and to ensure compliance with environmental regulations and as well as those regulations on human rights and workers rights.

### Supply chain integrity

The Group Ethical Code requires that partner's behaviour in relation to the Code's ethical principles be considered when selecting suppliers. Whether or not suppliers guarantee working conditions that respect individual dignity in safe and healthy working environments or a commitment to environmental protection is therefore a fundamental criterion.

To ensure **supply chain integrity**, the Group encourages its suppliers to adopt the principles laid down in the Ethical Code and, where possible, takes operational measures to prevent supplier and supply chain violation of workplace **health and safety**, environmental protection and public health regulations as well as violation of the following **international standards**:

- the United Nation's Universal Declaration of Human Rights;
- the International Labour Organization Conventions;
- the United Nations Convention on the Rights of the Child.

Country	Measures undertaken to prevent violation of the Group's ethical principles and regulations
Italy	<p>Special clauses have been added to supply contracts establishing sanction mechanisms to prevent the supplier: from violating workplace health and safety standards; public health and environmental standards; violating international standards; crimes against the public administration; environmental disasters.</p> <p>Suppliers who have sought to exert external pressure on client/supplier relations to gain orders are excluded from supplying so as to ensure the correct execution of supplier selection and evaluation processes, and so as to prevent corruption.</p> <p>Special provisions are also to be adopted to permanently exclude from negotiations any suppliers whose actions have been deemed improper from an ethical point of view.</p> <p>The possibility of making it mandatory for suppliers to adopt the Group's rules of conduct in its dealings with its subcontractors is being introduced.</p>
Austria	<p>Suppliers are required to provide self-certification in which they confirm that they are familiar with the Generali supply policies, the Ethical Code and the Generali policy of excluding suppliers that violate human rights.</p> <p>Suppliers are bound by contract to report any recourse to subcontractors, on whom random checks are conducted to ensure compliance with human and labour rights legislation.</p> <p>Suppliers of textile and advertising materials (often produced abroad) are required to certify the origin of their product, and in particular prove they do not use child labour.</p>
France	<p>New suppliers undergo an entry procedure that involves filling out a questionnaire and the relevant declaration, confirming compliance with all environmental and workers' rights regulations.</p> <p>The contracts contain termination clauses, which come into force in the event of non-compliance with environmental or human rights legislation.</p> <p>Suppliers are not permitted to appoint subcontractors without prior authorization from Generali.</p>



Country	Measures undertaken to prevent violation of the Group's ethical principles and regulations
Germany	Contracts include special clauses which oblige suppliers to respect human rights.
Spain	Suppliers are monitored on worker health and safety.
Switzerland	Contracts include termination clauses for failure to comply with legislations on human and workers rights. Random supplier checks are carried out to ensure compliance with legislation. Subcontractors may not be appointed for logistics services.

In the **Americas**, companies based in Argentina undergo frequent checks, primarily government checks, to assess their compliance with work and employee rights laws. Generali is responsible for verifying that its suppliers operate in compliance with the law.

In Brazil, though there are no specific contractual provisions, Generali may suspend contracts in the event of infringement of the law or conduct that is damaging to the corporate image.

In China in **Asia**, only companies that have been set up in compliance with the law and that are at the top of their sector are selected as they provide firmer guarantees as regards compliance with current legislation. Potential suppliers are also subject to pre-emptive inspections and contracts are not signed if anomalies or illegalities should emerge. Contracts are cancelled in the event of the infringement of laws or in the event of behaviour that is not socially responsible.

In the Philippines, suppliers must go through an accreditation procedure which requires the protection of human rights, in particular the prohibition of forced child labour.

In Japan, when a supplier is deemed at risk of violating human rights, the supplier is automatically eliminated from the supplier list.

In Thailand, suppliers are monitored on the risk of possible human rights violations.

## Purchasing procedures

In almost all countries, purchasing procedures (from researching suppliers to the signing of contracts) are either carried out by a common services company, as is the case in Italy, Austria and Germany or by a central purchasing service at the holding company, as is the case in France, Spain and Italy for the Banca Generali Group. Other frameworks are adopted:

- in Israel, where the purchasing management of insurance companies is part-centralised. It is in fact dealt with by the purchasing managers of the relative company departments - IT, operations, property management, support systems (communication, archives, etc.), agent training and events, marketing and advertising, human resources, employee training and professional services - who report to a group purchasing manager;
- in Switzerland, where all purchases are made by the individual companies;
- in all countries in the Sustainability Report area, where, depending on their size, Europ Assistance companies either handle their purchases autonomously or rely on the central purchasing service provided by the holding company, as is the case in France and in Italy.

In the IT sector, the Corporate Centre recently set up the Group Ict Procurement (GIP) department, to manage commercial relations with global suppliers of IT goods and services on a Group level, exploiting economies of scale.

In selecting contractual partners, clear, firm and non-discriminating procedures are in place, which are based on objective criteria linked to competitiveness and to the quality of the products and services provided.

In selecting suppliers, Group companies give precedence to national suppliers, and in particular companies able to provide goods and/or services on a national scale.

In 2009, national supplier expenditure data was collected for the first time. Available data, relating only to certain SR area companies and excluding Europ Assistance companies, highlights the very high percentage of national supplier revenues to total revenues, equating to 100% in France and Germany and 94% in Spain. The introduction of processes for measuring information in the other countries is expected to be complete over the next three years.

Collaboration with contractual partners makes it possible for the Group to fulfil its daily business. The creation of a network of lasting and mutually satisfactory relations with qualified suppliers is one of the Group's strategic objectives and an opportunity for competitive success.

In addition to the measures adopted to ensure supply chain integrity, the Group has adopted preferential selection criteria as part of its purchasing process, to encourage its suppliers to adopt socially and environmentally responsible behaviour. All countries have similar procedures and practices in place, although for the time being none require suppliers to provide mandatory environmental certification (such as ISO 14001) or social certification (SA 8000), which are not particularly widespread in some of the countries in question.

Country	Selection criteria
Italy	Preference is given to suppliers with suitable references or to those the company has had long-term dealings with. In 2009, Green Procurement procedures were adopted, to identify categories of qualifying services and goods, such as eco-compatible goods, to be given preferential treatment when there are minimum requirements.
Austria	Preference is given to companies that have a written statement of compliance with labour legislation, especially those with SA 8000 international certification. For environmental protection purposes, preference is given to ISO 14001 and/or EMAS certified suppliers. In 2009, purchases from environmental suppliers accounted for 12% of total revenues. Preference is given to suppliers with a focus on environment, for example those who use ecological material, who recycle resources and have adopted selective waste collection, etc.
France	There is a preference for suppliers who are committed to the environment, particularly those with an environmental policy or environmental certification. Almost all major suppliers are ISO 14001 certified. Ecological products are used in some product categories (e.g.: cleaning and facilities management company specifications).
Germany	Preference is given to suppliers with appropriate references or with whom the Group has had long-term dealings, since certification is not yet widespread, particularly among small and medium enterprises. In 2009, purchases from environmental suppliers accounted for 18% of total revenues.
Israel	Preference is given to experienced, reliable suppliers with good financial standing and a good reputation.
Spain	Preference is given to suppliers who demonstrate compliance with human rights and environmental awareness. In 2009, purchases from environmental suppliers accounted for 8% of revenues.
Switzerland	Preference is given to suppliers who demonstrate environmental awareness, in particular those with an environmental policy or certification. Ecological products are used in certain product categories (cleaning and garden landscaping company specifications).

## Engagement and monitoring of suppliers

In Austria and France, suppliers are listed on special **registers**, which contain all their data and supplier accreditation forms. In Israel, an Internet platform is used to exchange information between the company and supplier on goods and services, costs and supply methods.

In consideration of the specific nature of the business, which envisages the direct involvement of suppliers in the service provided to the client, awareness and management of supplier relations is particularly important to Europ Assistance group companies. A database is made available to all companies so that supplier information is available on a national level.

The Group is committed to service quality and has implemented various **supplier evaluation** and ongoing **monitoring** systems. Virtually all companies review supplier collaboration, especially when it comes to major suppliers, checking operations to ensure the quality of goods and services and adequate pricing.

In Austria, the supplier monitoring system process involves computer-based procedures. Performance is checked on a regular basis against supplier benchmarks for the various sectors and is measured against certain indicators identified by the local Purchasing Department in order to optimize costs and nurture relations with top suppliers.

A similar procedure takes place in Israel, where each purchasing manager performs supplier checks and analyses possible offers from the market so as to choose the best suppliers based on the annual parameters supplied by the procurement Committee.

In Switzerland, quality controls are carried out on supplies on a quarterly basis.





MOSAIC WITH EMBLEM  
DEPICTING TRITON

National Archaeological Museum, Aquileia  
2nd-3rd centuries AD

Photo: Neva Gasparo

# ISSUING COMPANIES

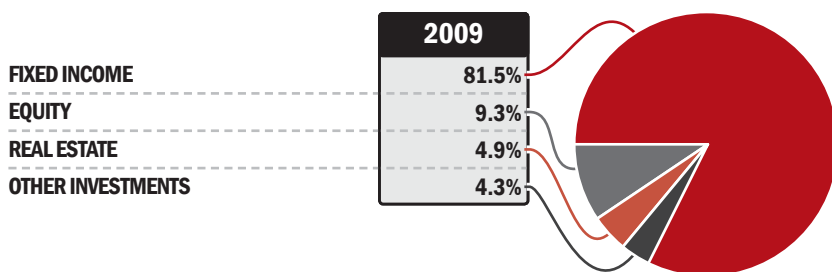
## Investment policy

The Generali Group is aware of the significant role it can play, albeit indirectly, in its capacity as institutional investor, in the field of environmental protection, human rights and social promotion in general, by influencing the conduct of issuing companies.

Since its establishment, the Generali Group has held a reputation for its capital and financial strength. Its solidity derives from a prudent investment management and also from a focus on achieving a correct match between risk and medium-long term profitability.

Group investment policy adheres to the principles of **safety and reliability**, speculative investments are denied and any type of high-risk investment, including environmental and social risk, is avoided.

### Breakdown of investments



- This breakdown of investments considers own investments, amounting to 299 billions of euros. Unit-linked and third party investments are therefore excluded.
- Government bonds represent 54.7% of the total bond portfolio.
- 84.3% of the corporate bond portfolio rates  $\geq$  A.
- Limited net exposure to structured finance: 2 billions of euros.

Investment ethics is considered, as well. Investments are to be in line with ethical guidelines that refer to those adopted by Norwegian Government Pension Fund-Global. Sharing the same objectives and the sustainability concept applied to investments by the Fund, the Group decided to apply them in October 2006.

### Norwegian Government Pension Fund-Global

The Norwegian Government Pension Fund-Global manages income from Norwegian petroleum and ranks among the top global funds in terms of its managed assets, amounting to almost 320 billions of euros at the end of 2009.

#### Investment criteria

In 2009 the Fund conducted a broad evaluation of the ethical investment guidelines, in which many external operators took part. The general conclusion was that the ethical guidelines had worked. It also announced plans to introduce, as from 1 March 2010, a number of new measures and changes linked to exclusion of companies and active ownership.

Objective: to generate long-term financial income, by promoting ethical development based on the principles of the Global Compact and the OECD Guidelines for Corporate Governance and multinational companies.

**Ethical guidelines:** it is prohibited to invest in financial instruments issued by companies which by themselves or through subsidiaries:

- produce weapons that violate fundamental humanitarian principles through their normal use;
- produce tobacco;
- sell weapons or military material to states mentioned in Section 3.2 of the guidelines for the management of the Fund;
- present an unacceptable risk of contributing to or being responsible for: serious or systematic human rights violations, serious violations of the rights of individuals in situations of war or conflict, severe environmental damages; gross corruption, other serious violations of fundamental ethical norms.

#### **Evaluation procedures**

The Ethical Committee, an advisory body to the Norwegian Minister of Finance (responsible for the Fund):

- continuously monitors the companies the Fund invests in;
- puts companies under observation if there is uncertainty about how the situation will develop, e.g. it considers the probability of future norm violations;
- reports any violations to the companies, demanding justification;
- if no such justification is provided or is deemed insufficient, it proposes that the Minister exclude said companies from the Fund's investment scope.

The Norwegian Minister of Finance acts freely and makes any decision to exclude companies publicly available at press conferences.

If the situation that resulted in such exclusion should cease to be, the companies may be re-admitted to the investment scope by the same procedure.

For further information on the exclusion criteria and procedures or for a list of the companies currently excluded from the Fund, please visit [www.regjeringen.no/en](http://www.regjeringen.no/en).

## Guidelines application

**Generali Group ethical guidelines** thus prevent any new investment in financial instruments of companies excluded from the Norwegian Government Pension Fund-Global investment scope. For those investments in the portfolio that fall short of the above - mentioned criteria - especially following the exclusion of new companies - a period of time is established for liquidating the positions after a public announcement of the exclusion by Norwegian Minister of Finance. This period must grant sufficient time to leave any investments without causing negative repercussions on the relevant portfolios.

The guidelines apply to all direct investments in portfolios where the investment risk is borne by the Group.

By applying these principles, the Group aims at influencing issuing companies' behaviour: it indirectly plays its role as institutional investor in environmental protection, respect of human rights and social promotion.

With a view to **monitoring** the extent to which ethical investment guidelines are adhered to in the various countries, a quarterly report is submitted to the Financial Risk Control Department within the Corporate Centre. If a violation occurs, a verification and sharing process is implemented with regard to divestment plans to immediately restore compliance with guidelines. In addition, continuous centralised monitoring takes place to immediately identify violations and implement corrective action in regard to new exclusions from the fund's investment scope. A pre-emptive check prevents the purchase of shares from excluded issuing companies.

In the Group investment portfolio, non-ethical investments amount to about 6.5 millions of euros at the end of 2009.











EPIGRAPHIC GALLERY WITH BLACK AND WHITE  
GEOMETRIC MOSAIC

National Archaeological Museum, Aquileia

Photo: Mauro Mezzarobba



CHAPTER 4

SOCIAL-  
ENVIRONMENTAL  
STAKEHOLDERS



# COMMUNITY

## Community policies

Group companies have always placed great importance on developing relations with the communities in which they operate. The Group recognizes the value of local expertise as the basis for growth in new areas. Staff of the newly-acquired and new companies are as a rule selected from the local area; it follows that Generali's expansion and standing in the world has remained a growth factor for the economies of the territories in which it operates. In countries in which it has an established presence, Generali Group is an important point of reference for local communities, particularly for those Public Institutions and associations that are committed to alleviating the hardship and suffering of those in need.

As previously mentioned, the Group recognizes in principle its moral responsibility to contribute to improving the communities in which it operates. To this end, it lends its support, by providing funds or in other ways, to a large number of social, cultural, environmental and sporting initiatives, collaborating with trusted partners in the public and private sector.

## Guidelines for community initiatives

The Group identifies four **areas of intervention**:

**Social area** - initiatives aimed at improving all aspects of the community, with particular regard to those which aim at:

- providing assistance (covering basic needs, medical and healthcare services, basic education, etc.) to people experiencing difficulties (the poor, the sick, orphans, communities affected by disasters or living in war-torn countries, etc.);
- integrating underprivileged into the society and providing employment opportunities through rehabilitation and education;
- raising the community's awareness of issues such as road safety, health and voluntary work;
- supporting research, particularly medical, scientific and economic, and school education on issues pertaining to the work of Group companies.

**Cultural area** - initiatives aimed at enhancing and preserving the artistic, historic and cultural wealth of the countries in which Generali operates and at promoting its public accessibility.

**Environmental area** - initiatives to protect the environment and raise awareness on issues such as: climate change, energy saving, selective waste collection and pollution.

**Sports area** - youth, amateur and professional sporting initiatives.

Priority is given to initiatives relating to and involving children and young adults, as representatives of the future society. The Group's constant focus on changes within the society has prompted an increase in the number of projects involving senior citizens.

Group funding **criteria** take into account, beyond the priority areas of intervention, the social value of the proposed initiative and the reliability of the promoting bodies too. Retrospective checks are carried out to ensure that the funds have reached their destination and to provide continuity to the support provided to those who are able to demonstrate that the allocated financial resources have been put to good use. This is particularly important when funding is used for ongoing activities or when pursuing objectives that cannot be reached in the course of just one year.

The Group supports interventions which maximize the provision of resources that provide tangible and direct benefits to the local communities involved.

Individual Group companies make autonomous operating decisions within the common framework. Some choose to channel resources allocated to the community into just one or a handful of far-reaching initiatives, or into a specific issue, while others share the funds among several different projects. In some cases, staff members are involved in selecting the organizations that will receive the available resources.

Depending on the objectives, which may be philanthropic or primarily commercial in nature, initiatives benefiting the community implemented within the identified areas of intervention can be divided into two categories:

- **donations**, consisting of the allocation of funds or resources in kind to support a wide variety of "good causes", in response to the needs and requirements of voluntary organizations or local institutions. As it will become apparent



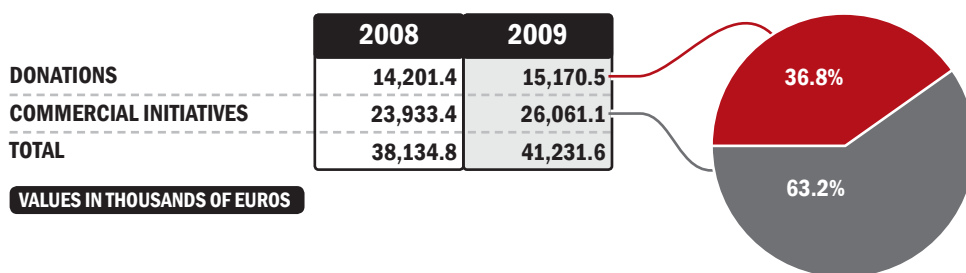
in this chapter, only a small portion of such donations relate to occasional donations, while the majority of donations relate to long-term partnerships;

- **commercial initiatives**, consisting of cultural, artistic, sporting and similar sponsorships, which directly aim to promote the Company's brand, a specific product or to improve the Corporate image.

By their very nature, commercial initiatives develop over time in line with business needs; they may consequently be irregular in time, with peaks, such as donations for high profile cultural or sporting events in the Countries in which the Group operates (world championships, the Olympics or other, similar events) which are seen as opportunities for improving the popularity. The ability to combine commercial objectives with social purposes makes this type of initiative a fundamental part of the Group's communication policies.

The strengthening policy for the Group's community involvement thus solely relates to donations, which in 2009 equalled 36.8% of the overall sum allocated to community initiatives. This is a significant share, bearing in mind the much higher unitary cost of commercial initiatives.

### Allocation to the community by type



- In a year that remains challenging from a macroeconomic and financial standpoint, the overall amounts the Group has allocated to the community has increased by 8.1% compared to 2008, with a steady increase in both the components.
- Commercial initiatives saw the greatest increase (+8.9%), primarily attributable to the Parent Company's sponsorship of the Ducati team and of the MotoGP World Championships in Valencia.
- Group donations amounted to 0.9% of its consolidated net profit.

In addition to interventions using funds set aside by Group companies, the participation of some companies consisted of non-cash donations, involving the supply of material goods or the direct provision of services. Many initiatives were implemented with the assistance of collaborators, who collected donations and goods in kind or were involved in **voluntary work**, dedicating their time to doing things for those less fortunate than themselves; some were spontaneous initiatives, while others were sponsored by the companies.

In 2009, the following noteworthy initiatives were undertaken:

### Assistance in kind and voluntary work

Country	Description of the initiative
Italy	<p>The traditional <b>Children's Festival</b>, held in December for the children of Group employees, once again offered parents the chance to donate to charity all or part of the funds set aside by the company for presents for their children. Their generosity allowed 40,000 euros to be donated, which was divided equally between two non-profit organizations: A.B.C. Burlo, which works with children affected by serious deformities that require complex and multiple surgery, and Peter Pan, which provides tangible support to the parents of children with cancer, to soften the harsh reality of the disease and provides accommodation in fully equipped centres.</p> <p>Following the <b>earthquake in Abruzzo</b>, employees donated money, directly deducted from their salaries, to the Italian civil protection group, Protezione Civile Nazionale. The Parent Company also donated funds for the construction of a photovoltaic plant for the Andrea Bafile secondary school specializing in scientific education in L'Aquila, thus combining solidarity and environment with focus. Europ Assistance call centres are available for certain environmental initiatives (for details please refer to the environmental initiatives section).</p>



Country	Description of the initiative
Argentina	<p>Employees organised a collection of money, clothes, blankets and toys for the <b>Estación Vida</b> association, which provides support for homeless children and families living near the train station in Buenos Aires.</p> <p>The Group is involved in the paper and plastic screw tops recycling programme organised by <b>Fundación Garraham</b>, which raises selective waste collection awareness among companies, as well as provides and collects the containers. The revenues from this activity are donated to the Garraham Children's Hospital in Buenos Aires.</p>
Austria	<p>The Group has a long-term collaboration with <b>SOS-Kinderdörfer</b>, an international organization which provides aid to orphaned, poor or underprivileged children. Each Regional Management "adopts" a Village, providing direct aid to children, sometimes with the personal involvement of certain collaborators. So far 11 villages have been adopted.</p> <p>Austrian employees also use the payroll giving system to regularly donate part of their salary to different charitable associations.</p>
Brazil	<p>Generali organises visits to the <b>Casa do Menor São Miguel Arcanjo</b>, which provides assistance to abandoned or socially-at-risk children and young adults, to raise awareness among its collaborators of voluntary work initiatives taking place at home.</p> <p>Employees collected educational materials, books, clothing, layettes for newborn babies, toys, personal hygiene and cleaning materials and food for the Garantia de Vida Home programme, which provides children with a family environment through family homes, care homes and the Don Adriano Hipolito integration centre, as well as academic support, leisure, cultural and sports activities to promote their physical and moral development. In turn, the company donated monitors, PCs, keyboards and a vehicle for the mechanics course.</p>
China	<p>Some employees donated their time to clean the road to the Purple Mountain, organised as a part of the <b>Papilio</b> initiative for environmental protection.</p>
Germany	<p>The virtual <b>walking from Cologne to Trieste</b> was organised to encourage employees to reflect on the importance of daily exercise. 1,173 employees took part in the initiative, each of whom was given a digital pedometer to measure the distances walked during the day and to identify, at the end of the three months, who had successfully covered the 1,000 kms between the two cities. The initiative also had a charitable objective: the company in fact donated one euro cent to the children's hospital in Cologne for each kilometre walked. Employees also made voluntary donations to the fund.</p> <p>At Christmas, employees organised the <b>Weihnachten im Schuhkarton</b> (Christmas in a shoebox) initiative, filling 227 shoebox packages with toys, sweets, school items and clothing which were sent to poor children in Central-Eastern Europe, Mongolia and South Africa.</p> <p>In 2009, as a part of the activities organised by <b>Zukunftsfonds</b> (fund for the future), which is outlined in greater detail later in the chapter and whose motto is Helfen hilft - Gemeinsam stark (helping helps - strong together), employees were asked to take part in three different voluntary initiatives. Group collaborators are given two days of paid leave each year to take part in these activities. In addition to promoting the social commitment of collaborators, the Group aims to develop team spirit and various competencies through these activities, which are also useful on an environment level. Forty computers were also donated to two schools in Aachen.</p>
Hong Kong	<p>In 2009 and for the seventh consecutive year, a team of collaborators took part in the <b>Green Power Hike</b>, an annual walk organised by Green Power, an independent organization that is committed to the environment, particularly in the promotion of renewable energy. The walk raises money and donates the proceeds to environmental education programmes in nursery, primary and middle schools.</p> <p>During the Christmas season, employees carried out voluntary work at the Italian products market organised by the Italian Womens' Association, <b>Associazione Donne Italiane</b>, to raise money for the purchase of medical machinery for the Duchess of Kent Children's Hospital.</p>
Hungary	<p>Around 50 employees, together with the Managing Director, collaborated in improving the quality of life in the <b>Village of Karancslapujto</b> in East Hungary, painting the fence around the football field, tending the grass and planting flowers and plants in the nursery school gardens.</p>
Israel	<p>Computers, monitors and various types of electronic equipment no longer in use by the Company were donated to a number of charities.</p>
Poland	<p>At Christmas, employees collected toys, clothes and personal hygiene products to donate to the <b>Osrodek Ofiar Przemocy DOM</b> Association, which provides assistance to child victims of violence.</p>



Country	Description of the initiative
Portugal	<p>During the Christmas period, company collaborators offered children at the Centro Apoio à Infância e Juventude O Vigilante orphanage the chance to spend <b>Um dia Mágico</b> (A magical day): first they took the children to the circus, then to lunch and then gave them presents.</p> <p>This year the third <b>Generali Trophy</b>, a Group initiative which in prior years involved small teams of collaborators competing in organizational and orienteering skills, encouraged its 200 employees to show their creativity and team spirit in an initiative with a high human and social value. They dedicated an entire day to clearing and redeveloping the external grounds of the Monsanto nursery and orphanage in Lisbon, which was abandoned due to a lack of resources.</p>
South Africa	Some employees gave children at the <b>Botshabelo Aids</b> orphanage painting lessons; the company provided all the necessary materials for the lessons.
Spain	At Christmas, employees used a charity lottery to raise funds for <b>Save the Children</b> , the largest independent international organization for the defence and promotion of children's rights. The company contributed three times the sum raised by its employees.
Thailand	<p>Generali employees gave blood at the national <b>Red Cross</b> Centre as part of the National Life Insurance Day.</p> <p>Employees donated sports equipment to the <b>Baan Moo Si</b> school, which the company topped up with a monetary donation.</p>
The Czech Republic	<p>Following the floods which hit the Country in June, employees raised funds for the victims through a salary deduction scheme.</p> <p>During a television show in February, 200 company call centre agents collected donations for the <b>UNICEF</b> from television viewers.</p>
The Philippines	<p>The annual <b>Louis Coson Friendship Cup</b>, a golf tournament open to Group companies employees, was organized to raise funds for scholarships.</p> <p>Employees were also involved in the second-hand toy collection organised by the local Red Cross branch for children affected by the typhoon in September and October 2009.</p>
USA	<p>For years, the employees of Generali USA Life Reassurance Company have been raising funds for <b>United Way</b>, an organization that takes care of poor children and their families, helping them to develop to their full potential in a healthy, warm and stimulating environment. The amount raised by the staff members is topped up by the company.</p> <p>Many Generali USA employees also take part in the various categories of the <b>Kansas City Corporate Challenge</b>, a sports tournament for the employees of local companies, both large and small. The proceeds of the tournament are donated to charities, which also receive donations from individual companies throughout the year.</p>

## Description of the initiatives

The major initiatives that Generali Group supported in 2009 are described below.

In this section donations are highlighted in particular, namely initiatives of a non-commercial nature, which are organised by the above mentioned areas of intervention and their sub-categories. A specific project, deemed to be of particular interest for its social and/or environmental value, innovative features or relevance in terms of the Group's financial support is described in greater detail for each category. Some of the many initiatives for which Group companies provide funding are outlined in the below tables.

### Social area

The Group shows extensive, ongoing commitment to a number of "lesser" interventions in support of far-reaching, long-term projects.

**Assistance** - The Group's commitment extends to activities to provide assistance to people living in conditions of poverty, war, violence or social hardship.

#### Italy: Dream Project

Since 2008 Generali has supported **DREAM** (Drug Resource Enhancement against Aids and Malnutrition), a programme to combat AIDS in Africa launched in February 2002 by the Community of Sant'Egidio.

The programme tackles the problem with a global approach, introducing tools to cure the disease alongside measures for its prevention: the project provides African communities with free access to superior HIV treatment, in the form of Highly Active Anti-Retroviral Therapy (HAART), in 31 operating centres in 10 sub-Saharan countries.

Generali's contribution has also helped to build a centre and molecular biology laboratory in Mbandaka in the Democratic Republic of the Congo, inaugurated on 4 February 2009, with a similar centre to be built in Kinshasa. These structures offer staff and local communities healthcare training, considered to be fundamental to the programme's success.

In the Congo, people afflicted with AIDS are embarrassed about the disease and normally try to hide it; in the best case scenario, some people who come to the centres receive medicine, which they then share with other sick people, making the treatment futile. In the future, Generali will focus on medicines to guarantee essential programme continuity.

Country	Description of the initiative
Italy	<b>La cura del Girasole-Onlus</b> (Treatment of the Girasole-Onlus) the Group supports this association, for the treatment of emotional distress in infants, adolescents, young adults and families. <b>Luchetta Ota D'Angelo Hrovatin Foundation:</b> for some years the Group has been supporting the Foundation, which assists children in war-torn countries who need medical care unavailable to them in their own country. In particular, it provides accommodation to them in homes managed by voluntary workers. Funds donated by the company are used to organize the Premio giornalistico per gli operatori dell'informazione, an award for journalists who have made a significant contribution to raising awareness of the importance of peace, solidarity and fraternity, in protecting children from any form of violence.
China	Donation for the reconstruction of a primary school in the province of Sichuan, which was affected by the earthquake.
Great Britain Slovenia	<b>Red Noses:</b> donations to the voluntary associations which visit hospitals to entertain and cheer up children with long-term illnesses.
Guatemala	<b>Asociation de Hermandad:</b> the Group supports the Clínica de Quemaduras Infantiles, specialising in rehabilitation and surgical reconstruction for children with burns.
Portugal Spain	<b>Anouk Foundation:</b> an association, which strives to improve conditions for the children and adults admitted to hospital. In particular, Generali has supported the Paint a smile project for the decoration of a children's ward of the Ramón y Cajal University Hospital in Madrid in Spain and of Caldas da Rainha in Portugal with happy, fun scenes.
Thailand	Donation to the <b>Thai Kings Foundation</b> for the production of 100,000 comic books for schools.



**Integration** - The Group is strongly committed to supporting associations that provide rehabilitation for people in difficulty and help them with their reintegration into society and employment. Similarly, it supports numerous programmes offering equal advancement and enhancement opportunities in society to underprivileged individuals, particularly through education.

### Italy: Generali Millennium. Generali Italian-Indian Initiative for Entrepreneurship & Microinsurance

2009 saw the launch of a project, initially intended to cover a three-year period, as Generali's contribution to the United Nation's **Millennium Development Goals**. The initiative aims to contribute to the economic development of the poorer, most underprivileged classes in India, a country where the Group has recently begun operations and where its presence has achieved rapid growth. The project aims to support the launch of new business initiatives and create microinsurance projects, thus valorising the expertise gathered in its core business. The activities of Generali Millennium cover a number of areas of intervention: research, planning of field action, conferences and other events.

Three projects took shape in the first year. The first involved a study which mapped the microinsurance situation in India for the first time, with detailed information on regulations, operators and the characteristics of the interventions throughout the subcontinent. In the initial months of 2010, current data on the phenomena began to be collected, which will fuel research and is to be published in the course of the year.

The second entailed the drawing up of a feasibility study for the launch of a microinsurance project to support micro business activities in the agricultural sector.

Following a survey that shed light on the needs and development potential of business initiatives among the rural communities of Tamil Nadu, some projects are currently being evaluated to promote young entrepreneurs in the area surrounding the Jesuit mission in Ongur (Chennai), which has now been assisting the poorer classes and providing education and assistance for a number of years.

High profile events have been planned for both Italy and India in 2010, to present the initiative to the general public alongside the initial results of the research and projects.

Country	Description of the initiative
Italy	<p><b>Uganda Project:</b> the Group has been supporting the diocese of Arua in North of Uganda since 2005, in the reintegration of former soldiers between the ages of 13 and 30 into society through agricultural activities, with the ultimate objective of achieving sustenance for the people and their villages. In 2009 the Group provided funding for the opening of a rabbit farm.</p> <p><b>Mus-e Association:</b> the Group has provided ongoing support for the integration of immigrant children in schools for a number of years. Support is structured through collective disciplines, which facilitate communication and the sharing of experiences, in forms other than verbal communication, such as music, song, theatre, dance, plastic arts, figurative arts and mime.</p> <p><b>Asphi (Introduction and Development of Projects to reduce handicaps through IT):</b> for a number of years, the Group has supported this non-profit organization that promotes the integration of people with disabilities in schools, at work and in companies through the use of technology.</p> <p><b>Comunità di San Patrignano:</b> Generali funding is used to organize the wine and culinary event, Squisito! Cuochi, prodotti, ricette, vini. Itinerario nel Buonpaese (Delicious! Cooks, products, recipes, wines. Italian food itinerary) food and wine event, now in its fifth edition, organised by young people from a rehabilitation centre for drugs, poverty and isolation.</p>
Austria	<p><b>SOS-Kinderdörfer:</b> international non-governmental organization which helps orphans and children from underprivileged families. Generali has been supporting the organization in Austria for a number of years and has its own voluntary workers (see above). This year it also sponsored the publication of the book entitled Kind sein zwischen Leben und Überleben (To be a child, from life to survival), presented for the organization's 60 anniversary.</p>
Belgium	<p><b>Buitenbeenpop:</b> the Group contributes to the creation of this music festival, which is organised and dedicated to people with disabilities. The concert, open to all, aims at people integration, with a special focus on people with disabilities.</p>



Country	Description of the initiative
<b>Brazil</b>	<b>Casa do Menor São Miguel Arcanjo:</b> Generali collaborates on multiple initiatives, some of which are voluntary (see above), with this organization, which assists and recovers children who have been abandoned, have drug addictions or are afflicted by social trauma, providing them with homes, sustenance, education or professional training for their social integration. Generali specifically focuses on the education and employment of young people: the Young apprentice project was launched in November 2008, dedicated to young people with low incomes aged between 14 and 24, providing them with professional technical training, including both practice and theory. In 2009, four young apprentices were awarded an internship at the Generali offices.
<b>China</b>	<b>Red Phoenix Project:</b> Generali has undertaken to provide funding for 4 years of study to 50 young women at a women's college.
<b>Colombia</b>	<b>Fundacion Colsalud:</b> Generali sponsored the Colsalud Talent Group concert, performed by 120 children and young people with mental and sensory disabilities.
<b>Ecuador</b>	<b>FASINARM:</b> the Group supports this private, non-profit foundation, which provides assistance and education as well as employment to children with mental disabilities, especially those living in poverty.
<b>Israel</b>	<b>Tlalim:</b> a multiple award-winning initiative, which the Group has been supporting for years in the provision of educational support to sick children who are absent from school for over three weeks. It draws on different types of assistance to help them keep in touch with teachers and classes: home schooling, e-learning courses, call centres and closed circuit television broadcasts. <b>Elem, Gag Ve Gam and Muzot:</b> organizations that provide help to teenagers at risk, providing special support to programmes targeting young immigrants from Ethiopia and the former Soviet Union. The Gag Ve Gam programme assists children who have run away or been thrown out of their homes and who have often left the conventional school system, allowing them to join the Tlalim virtual school. <b>Wheel House:</b> the Group has supported the association for a number of years. Its voluntary workers assist around 300 people aged between 9 and 30 with serious psychiatric and physical disabilities with the aim of integrating them into the community as active members of society.
<b>Slovakia</b>	<b>Detský Fond Slovenskej Republiky</b> (Children's Fund of the Slovak Republic): donations to the Konto bariéry project, which deals with the assistance and integration of disabled children, providing help and tools for the social integration of those living in situations of financial hardship.
<b>The Czech Republic</b>	<b>Leontinka Foundation:</b> the Group supports the Psí oci project for the training of guide dogs for blind and visually impaired children.

**Raising awareness** - The Group has traditionally played a key role, in collaboration with public and private associations and institutions, in raising awareness of the collective approach to addressing insurance related issues, such as health and road safety or issues of great social importance, such as promoting individual and corporate commitment to voluntary work. In the **health** sector, the Group supports issues that mainly aim to treat and prevent diseases, particularly those that are primary causes of death and/or that have a strong impact on people's quality of life and independence.

Country	Description of the initiative
<b>Italy</b>	<b>ONDA</b> (National Observatory on Women's Health): the Group has supported this association for a number of years. The association is committed to raising public awareness, among women in particular, on the importance of the treatment and prevention of the major illnesses affecting women. <b>AISM</b> (Italian Multiple Sclerosis Association): the Generali Group assists research against multiple sclerosis by organising a fundraising show each year; in 2009, it sponsored an open audition for the Philharmonic Orchestra at the La Scala Theatre in Milan.
<b>Portugal</b>	<b>APFADA</b> (Portuguese Association for the Families and Friends of Alzheimer Patients): attesting to the Group's solid commitment to the Portuguese company, Generali has been the main sponsor of the association's educational initiatives since December 2006. The Association provides assistance to Alzheimer patients and is in the process of developing effective treatments.
<b>Romania</b>	<b>Overland for Smile - Smile of child:</b> funding is provided for a far-reaching programme of free dental care to all children living in orphanages. Additional project objectives are to educate people in contact with children on the prevention of dental diseases and to promote exchanges between Romanian and Italian dental associations and universities. In the past three years, 150 doctors participated in the programme, treating 4,607 children in 203 orphanages in 22 cities throughout the country.

The Group places special focus on **road traffic initiatives** and collaborates with State Institutions and a number of associations, in organizing programmes to prevent accidents resulting from failure to adhere to the Highway Code. The majority of these initiatives target children and young adults so as to create prudent drivers in the future.

Country	Description of the initiative
Italy	<b>ANIA - Road Safety Foundation:</b> Group companies are highly committed to preventing traffic risks through this Foundation, of which the Group is a member (see Clients - Risk Prevention section).
Argentina	<p><b>Onda Calle:</b> Alerta Vial (educational programme for the reduction of road traffic accidents) initiative held at schools and in some areas of Buenos Aires, which saw a group of road safety workers, jugglers and street artists dressed in eye-catching outfits, point out, through plays and road signs, the importance of wearing seat belts and not using mobile phones while driving. In particular, focus was placed on the problem of drunk driving; the initiative was also extended to pubs and most restaurants frequented by young people and during certain concerts.</p> <p><b>Guarda con la previa</b> (previa is the term young people use to denote the time they spend drinking spirits before going out in the evening): education and information initiatives focusing on the consequences of drunk driving or driving under the influence of drugs in Buenos Aires. The company distributed information leaflets on issues such as driving behaviour, the effects of alcohol, who to contact in the event of need and so on.</p> <p><b>Day for road safety:</b> road education day dedicated to 2,500 children and young adults in private and state schools in Buenos Aires participating in the <i>Nuestras escuelas dan la nota</i> project.</p>
Bulgaria	<b>Day for road traffic safety:</b> for children in the fifth year of primary school in the city of Vidin. The city mayor and a few police officers, helped by entertainers, explained the rules of traffic (recognising and knowing road signs) and road safety regulations through plays and simulations.
France	<b>Le permis piéton pour les enfants</b> (pedestrian safety scheme for children): educational campaign on the risks children are exposed to on their way to school, an ongoing campaign provided in collaboration with the National Police and Sécurité routière, a road safety company. In 2009, 750,000 children aged between 8 and 9 were involved in the initiatives and received their “pedestrian licence” at the end of the course.
Serbia Hungary	<b>Alma-Citrom</b> (Apple and lemon): annual road safety educational campaign for adults and children aged 10 to 14, organised in collaboration with the National Police force. The campaign includes both theory, with the teaching of road regulations, and practice, where children participate in controlling traffic and award drivers who maintain safe driving with an apple and punish those who break the rules with a lemon.
Slovenia	<p><b>Zavod Varna Pot</b> (Safe path): Generali sponsored the association in a campaign (Varna na Poti) that promotes the correct use of children’s car seats and seatbelts.</p> <p>The Group sponsored the <b>Lunin Festival</b> (The Moon Festival) in Lubiana and the <b>Zapelji me varno</b> (Drive me safely) campaign in Koper, programmes promoting road safety to children and parents.</p> <p><b>Zavod pentola Varna</b> (Safe Journey Institute): a road safety organization that offers medical and legal consultation services to victims of road traffic accidents and organises educational and preventive programmes on road traffic related issues. In particular, Generali supported the educational programme for parents on the correct use of car seats for children.</p> <p><b>European Night Without Accident:</b> the Group took part in the seventh edition of the event, held at the same time in 200 discos across the European Union. On arriving at the disco, a group of young voluntary workers from the Zavod pentola Varna urged drivers to adopt responsible behaviour, inviting them not to drink; on leaving the disco, the voluntary workers invited young people to take breathalyzer tests and not to drive if they were over the limit.</p>
The Czech Republic	<p><b>Gentleman silnick</b> (Gentleman of the road): provided in collaboration with the State Police, this project aims to encourage both drivers and pedestrians to take action in the event of a road traffic accident. Every year, a prize and a certificate of merit are awarded to those who intervened following a road traffic accident to provide assistance to those involved.</p> <p><b>Ježdíme s Úsměvem</b> (Driving with a smile): project developed in collaboration with the Police, which involves children wearing special reflective jackets and accompanying police officers on their road supervision duties from May to October. The children give drivers who are stopped a sticker with the picture of a car that is either smiling or frowning, depending on whether they are adhering to the law or have breached the Highway Code.</p> <p><b>Bezpečné mesto</b> (Safe city): project carried out in collaboration with the Ministry of Transport, which places a “Welcome to our city” sign at the entrance of each city to remind drivers to maintain the speed limit in residential areas. The sign also draws attention to similar road signs at the site of serious accidents, which were caused by high speed driving.</p>

There is also a focus on initiatives promoting the social commitment to voluntary work in both companies and among the general public.

## Germany: Generali Zukunftsfonds

The long tradition of social commitment that has accompanied Generali Deutschland since it was founded in 1825 reached an important milestone with the establishment of **Generali Zukunftsfonds** (Generali Fund for the future) in autumn 2008, a special unit that reports directly to the Managing Director of the local group and has its own budget. Through this Fund, Generali has decided to play an important, publically recognised corporate citizenship role, focussing on promoting social commitment among the general public, especially among the elderly who, following the current demographic changes, are a growing segment of the population and who offer great potential in terms of knowledge, time and energy.

Various economic studies form the basis of the various Fund initiatives. The Involvement Atlas created by Generali in 2008 is of particular importance, highlighting the range of voluntary activities in Germany, its potential development and the needs of the population. In response to such needs, Zukunftsfonds plays an active role, collaborating with national, regional and local institutions and supporting the coordination, disclosure of information and integration of the different voluntary organizations.

All social responsibility initiatives are channelled into the Bürger unternehmen Zukunft (Citizens for the future) programme, which sponsors a number of local and regional projects and provides support to associations and institutions committed to involving the general public in community work. Campaigns have also been developed to promote social commitment among the general public as have initiatives which aim to create a voluntary work culture among employees (see the Initiatives and voluntary work section).

Further information on the initiative is available on the [www.generali-zukunftsfonds.de](http://www.generali-zukunftsfonds.de) website.

Country	Description of the initiative
France	<p>The <b>www.generation-responsible.com</b> website was launched in May 2009 and aims to encourage, promote and propose social responsibility projects and initiatives and to bring people together. The site is divided into three sections and allows users to: request information on associations, initiatives, programmes, etc.; subscribe and offer their time for voluntary work; present ideas and projects and search for participants and sponsors. The website covers: social solidarity, the integration or reintegration of underprivileged individuals, fair trade, the environment, biodiversity and preservation of the artistic and cultural heritage.</p> <p><b>Parlement des Entrepreneurs d'avenir</b> (Parliament of the entrepreneurs of the future): Generali sponsored this initiative, to which 238 companies adhered, with the aim of promoting a new model for companies and firms, in which global performance and competitiveness merge with individual responsibility, wellbeing within the workplace and ethical social and environmental standards. On 4 June 2009, the National Assembly held the first Parliamentary sitting, attended by Prime Minister François Fillon.</p>
Guatemala	Generali supports <b>CENTRARSE</b> (Centre for Corporate Social Responsibility), an association that works to raise company awareness of social responsibility issues.

**Training and research** - Group companies maintain profitable relations with universities and post-university education centres, taking part in numerous exchange projects: internships, talks by Group employees, grants, etc..

The companies thus, on the one hand, demonstrate their interest in highly specialized training of new recruits while on the other hand contribute directly to such training.

Country	Description of the initiative
Italy	<p><b>Department of Genetics and Molecular Biology</b> at La Sapienza University in Rome: has supported the purchase of a microscope for a cancer project.</p> <p><b>United World College of the Adriatic in Duino</b> (Trieste): funding of several scholarships for this international institute, which offers students from around the world the chance to study and interact with their host communities.</p> <p><b>Masters Degree in Sports Business Strategies</b>: Generali is a partner in the Master's Degree course offered at Ca' Foscari University in Venice, providing the tools and expertise to students seeking a career in sports management.</p>





<b>Germany</b>	<p><b>University of Aachen (RWTH):</b> the Group has supported this technical university, the largest of its kind in Germany, since it opened.</p> <p><b>University of Applied Science in Cologne:</b> scholarship.</p> <p><b>EBS - Generali Competence Centre for Indirect Real Estate Investments:</b> the Group established an excellence centre for fundamental study and applied research in indirect estate investments at the European Business School in 2007.</p> <p><b>University of Heidelberg - Centrum für soziale Investitionen und Innovationen</b> (Centre for social investments and innovation): Generali finances three scholarships for research projects on social participation, especially for the over-fifty age bracket.</p>
<b>Portugal</b>	<p><b>University of Lusiada:</b> to encourage the cultural commitment of students, Generali awarded the University's top student a trip to Rome for two people.</p>
<b>Slovakia</b>	<p><b>Comenius Children's University:</b> project dedicated to children between the ages of 9 and 14 who attend university level conferences and courses and enjoy guided visits and laboratory workshops during school holidays.</p>
<b>Switzerland</b>	<p><b>BSI Gamma Foundation:</b> its aim is to promote the development of theoretical and empirical skills in the financial sector.</p> <p><b>Swiss Financial Institute:</b> financial backing to the institute for the promotion and strengthening of research and financial training in Switzerland.</p> <p><b>University of Geneva:</b> funding for the Masters Degree in Business-Law - MBL.</p>
<b>The Netherlands</b>	<p><b>ISI-Project:</b> an important project launched in 2004 by a consortium of 15 operators, including brokerage associations, insurers, technological partners and scientific institutions, to identify trends influencing the distribution of insurance products through the various channels. Its aim is to develop and promote insurance brokerage innovations in the insurance brokerage market in the Netherlands. The organization has been managed exclusively by Generali since 2007.</p>

## Cultural area

The Group has always shown special dedication to cultural and artistic affairs, in the context of sharing knowledge and healthy recreation, to promote reflection and raise spirits. The Group supports numerous events and plays an important role on a national scale. Events include a wide range of activities, supporting major cultural institutions, primarily leading theatres, which are increasingly in need of private funding in order to continue their activities, and initiatives promoted by local associations and organizations specially developed to support young artists. Generali is also involved in the art world, with its own collections such as the BSI collections, the works of the Generali Foundation in Vienna and a collection at the Česká Pojišťovna Gallery in Prague, and also supports museums, theatres, schools and cultural foundations and associations.

### Switzerland: BSI Album

The **BSI Album** project is a series of displays of rare and original art collections in the windows of BSI bank, on view day and night, which "unfold", like old-fashioned albums, as people walk by. A catalogue of works with trilingual commentary will be distributed free of charge at the counters of the BSI bank taking part in the programme. Catalogues outline the theme of the exhibitions and include a wide selection of photos of the items on display.

The BSI Album project unfolds in four sections:

- culture and memory: a series of exhibitions on architecture and related subjects;
- journeys and adventures of the spirit: ethnology and civilisation;
- private treasures: major collections of watches, jewellery and similar items;
- delicacies: when art meets great cuisine.

2009 saw the publication of the *Piaceri dorati, gioielli confidenzialmente per l'eternità* (Gilded pleasures, jewels confidentially for eternity) catalogue in the *Tesori Privati* (Private treasures) series, for the first Swiss exhibition of 170 pieces by the famous Buccellati: a collection of jewels, bracelets, rings, clutch bags, cigarette holders and powder compacts, all strictly handmade between 1920 and 1960, many of which were for Gabriele d'Annunzio. All albums can be viewed and downloaded from the [www.bsibank.com](http://www.bsibank.com) website.

Country	Description of the initiative
Italy	<p><b>Verdi Theatre</b> (Trieste); <b>La Fenice Theatre</b> (Venice); <b>La Scala Theatre</b> (Milan).</p> <p><b>De Sono Music Association:</b> Turin based association which awards scholarships to young Piedmontese instrumentalists, composers and musicologists.</p> <p><b>Consulta per la valorizzazione dei beni artistici e culturali di Torino</b> (Council for enhancing the value of the artistic and cultural heritage of Turin): association dedicated to the restoration and preservation of the artistic, cultural and architectural heritage of Turin and the surrounding area.</p> <p><b>Cini Foundation:</b> Generali participates in the Amici di San Giorgio (St. George's Friends) initiative, promoted by the acclaimed Foundation, which aims to allow private financiers to support its numerous cultural, scientific and artistic activities with a view to a profitable, long-term collaboration.</p> <p><b>Studium Generale Marcianum Foundation:</b> Generali is a founding partner of the new Foundation, which is committed to promoting study and research that contributes to the diffusion of international cultural heritage and to supporting the work of educational institutions and centres in accordance with the institutional guidelines defined by the Patriarchate of Venice.</p>
Belgium	Sponsorship of the <b>Fêtes de Wallonie</b> in the city of Namur, where the culture and history of the Walloon is celebrated through shows, exhibitions, concerts, typical products and so forth.
Croatia	<b>Hrvatska Akademija Znanosti I Umjetnosti</b> (Academy of arts and science): funding for the restoration of a violin made in 1735 by the famous violin maker Giuseppe Guarneri del Gesù.
Germany	<p><b>Hamburg Thalia Theatre:</b> theatre in Hamburg specialising in children's productions.</p> <p><b>Kuratorium KölnMusik:</b> association that supports the Philharmonic Orchestra of Cologne, enabling it to provide concerts at reasonable prices and to support young musicians.</p>
Hungary	<b>Arcus Temporum Festival:</b> organization of the musical festival at the monastery of Benedettino di Pannonhalma, a world heritage site.
Poland	<b>Muzeum Palac w Wilanowie:</b> support to the Museum Palace in Wilanow.
Switzerland	<p><b>BSI Monaco Music Masters:</b> event organized in collaboration with the Accadémie de Musique Fondation Prince Rainier III of Monte Carlo that is committed to promoting both young talent from the Principality of Monaco and those awarded scholarships with major international conservatories, enabling them to take private lessons from some of the greatest Masters.</p> <p><b>BSI Scholars:</b> financial backing for the education and artistic development of gifted young musicians. Scholarship holders are given the possibility of participating in musical events organized and supported by BSI such as the Martha Argerich Project, the BSI Winter Festival and the BSI Monaco Music Master. Candidates are selected by a committee of top international musicians.</p> <p><b>Centenario Foundation:</b> promotes relations between Italy and Switzerland by recognizing organizations and people who have contributed to improving understanding between Switzerland and Italy or to enhancing their common cultural heritage. The 2009 Prize was awarded to Cecilia Bartoli, celebrated lyricist of international acclaim.</p> <p><b>Cogni Foundation for artistic vocations:</b> promotes, supports and finances cultural, scientific and information initiatives to raise awareness of those artistic vocations that are in danger of disappearing. It especially targets young adults to encourage new generations of Masters of Art. In 2009, a book dedicated to the great tradition of musical instruments entitled, <i>Strumentario. Il costruttore di strumenti musicali nella tradizione occidentale</i> (The maker of musical instruments in Western tradition) was presented.</p>
The Czech Republic	<p><b>Národní divadlo:</b> support of the National Theatre of Prague.</p> <p><b>Pavel Šporci</b> :sponsorship of the famous Czech violinist while on tour.</p>
The Netherlands	<b>Geldmuseum</b> in Utrecht: funding to create a multimedia exhibition for children on the history of money and on financial matters.

## Environmental area

The Group financed a series of activities, of varying type and scope, targeting the safeguarding and protection of animals and the environment as well as the development and distribution of alternative energy sources.

### France: Train de la planète

Sponsorship of a travelling exhibition on board a special train (**Earth Train**) specially fitted to host events open to the general public.

From 15 September to 11 October 2009 the train was on the move, stopping in 24 cities to explain how planet Earth works, spreading its “why we defend what we know best” slogan. The show, which attracted 50,000 people, was in part sponsored by Michel Chevalet, a famous scientific journalist, with the objective of letting visitors discover and understand the mysteries of the Earth through videos, games and conferences, along a path covering four main topics: climate, water, energy and management of resources.

The journey begins with a trip on a space shuttle, to illustrate the basic notions of astronomy: the solar system, how it works and its influence on the climate; the train then returns to Earth, where it tackles issues regarding the Earth’s crust, magma, tectonic plates, volcanoes and so on and their influence on ocean and sea currents, showing how the climate is the result of astronomical and geophysical influences.

The journey continues on board a fishing boat, where issues such as the water cycle, rain, evaporation and the reasons our planet lacks water are examined; the next stage takes place in a mine, where energy and natural resources are explored.

The last leg of the journey relates to resource management and biodiversity; in a tropical forest, visitors take part in a quiz on our model of society.

The exhibition concludes with a question: “How, on a planet where the population is rapidly increasing, where resources are lacking and where man is trying to improve his quality of life, can water, food and energy be provided to all, while maintaining biodiversity and limiting climate change?”

Country	Description of the initiative
Italy	<p><b>FAI - Fondo Ambientale Italiano</b> (the Italian Environmental Fund): a private, non-profit foundation committed to safeguarding, preserving and promoting Italy’s historical, artistic and environmental heritage. In addition to its membership fees, the Group financed the Gala internazionale di danza Roberto Bolle &amp; Friends (international dance gala) and the Giornata FAI di Primavera (FAI Spring Day). As part of this event, it supported the Apprendisti Ciceroni (Apprentice Guides) initiative for the fourth consecutive year, which involved 10,000 primary, middle and high school students accompanying the public on a journey to discover the cultural heritage of 210 Italian cities.</p> <p><b>William J. Clinton Foundation:</b> donation to the international foundation, which conducts research for solutions for a diverse range of issues such as climate change, HIV/AIDS in developing countries and opportunities for economic growth in the developing countries.</p> <p><b>SOS Cetacei</b> (SOS Cetaceans): a programme promoted by the Milan Natural History Museum to protect cetaceans in the Mediterranean Sea. Europ Assistance participates in the programme by activating a dedicated 24-hour telephone line in Italy to report sightings of cetaceans that are stranded or in difficulty and coordinates the ensuing rescue efforts.</p> <p><b>TARTANET:</b> project developed in collaboration with the European Commission and Ministry of the Environment, under the direction of the Department of Wildlife Conservation of the CTS (Student &amp; Youth Tourism Centre). Its objective is to protect the loggerhead sea turtle (also known as <i>Caretta caretta</i>) through the creation of a network of centres located along Italy’s coastline to provide a timely and effective response system. Once again, Europ Assistance activated a 24-hour emergency response number for the reporting of turtles that are stranded or in difficulty, which in turn notifies the nearest rescue centre.</p>
Brazil	<p>At the <b>Dia da Árvore</b> (Day of the tree), 60 fruit trees were donated to the Casa do Menor São Miguel Arcanjo, which were added to the orchard created in 2008.</p> <p><b>Conference</b> A Maior Tragédia Geoclimática Brasileira - Sob o Ponto de Vista Econômico (the largest Brazilian geo-climate tragedy - from an economic viewpoint) during which geologist Joseph Juarês Aumond examined the recent climate changes in Brazil.</p>
Bulgaria	<p><b>Festival of the rose:</b> the event, held in the city of Kazanlak in the valley of the roses, originally celebrated the start of the petal harvest. Nowadays it consists of a number of rose-related events.</p>



Country	Description of the initiative
Poland	<b>Warsaw Zoo:</b> Generali finances and supports a project for the protection, well-being and support of the lions.
Portugal	<b>Amigos do Jardim Zoologico:</b> Generali is a member of the Association that supports zoo activities: research, animal protection, education, etc..
Switzerland	<b>VEL:</b> an initiative promoted by the Sustainable Mobility Association, whose objective is to encourage the use of alternative energy vehicles, especially electric cars.

## Sports area

Generali views sports as an educational and training tool which promotes healthy principles and values. It is for this reason that youth and amateur sports are supported by numerous projects, which often provide uniforms or sports equipment. This helps young people and many groups continue their highly educational work in a wide range of disciplines, such as: tennis, golf, football, swimming, volleyball, basketball, rugby, sailing, motorbike racing, triathlons, cycling and marathons, among others.

### Israel: Hapoel Migdal Jerusalem

For many years now, the Group has sponsored the basketball team in the top **Hapoel Migdal Jerusalem** league, symbol of the city of Jerusalem not only for its prestigious sporting achievements, but more importantly for the athletes' involvement in social activities.

The players visit children's hospitals, centres for autistic children and schools, delivering smiles and solidarity to the sick and to those experiencing difficulties. Through their work, athletes promote the educational value of sport encouraging children to participate in sports.

Judoka Arik Ze'evi. It is also involved in the social activities promoted by the sponsor.

The numerous initiatives include: in Italy, collaboration with the Calicanto sports association, which promotes sports for the disabled; in Germany, support for the special Olympics, an international sports programme that involves more than 3 million children and adults with intellectual disabilities; in Israel, support for the Etgarim Association, dedicated to extreme sports and recreational activities for people with disabilities, supporting in particular activities for blind and autistic children between the ages of 2 and 5; in Serbia, the Mini & Maxi League, football competition involving more than 1,000 boys and girls in 23 different cities with the goal of promoting a passion for the game and for sports in general.

## Commercial initiatives

**High profile cultural events** - Generali also promotes its brand by sponsoring events that attract a large public turnout and/or extensive media visibility.

It offers support to exhibitions, musical and theatrical events involving famous artists, composers and musicians; it sponsors festivals and national and international musical, literary and artistic awards.

Every country directs its decisions differently, according to their cultural focus. In Italy, the Group sponsors numerous **art exhibitions**, which in 2009 included, among others, Monet. Il tempo delle ninfee; Seurat, Signac e i neoimpressionisti; Raffaello e Urbino; Modigliani. Una storia segreta. In Austria, France and Switzerland Generali is primarily involved in the **music sector**, sponsoring the Linzer Klangwolke musical festival (Austria), the Pablo Casals Festival for chamber music (France) and various initiatives, including the musical event associated with the acclaimed Argentine pianist, Martha Argerich, and the Montebello Festival (Switzerland) international festival of chamber music. Germany, on the other hand, concentrates its efforts in the **literary and cinema** sectors, sponsoring the Max Ophüls Preis Cinema Festival and the LitKöln international literary Festival while the Czech Republic sponsors the Letní shakespearovské slavnost **theatre** festival dedicated to Shakespeare.

The Companies also support the **photography** sector; in particular, the Shangri-la exhibition in Slovakia turns the viewfinder on the travels of Rudolf Švaríčka, mountain climber, traveller and author, through the Himalayas, spanning Nepal, Tibet, India and Bhutan and, in Italy, the international Obiettivo Agricoltura (Target Agriculture) photography competition, focusing on agricultural issues and the relative photography exhibition.

Lastly, in Hamburg, Germany, among other activities which aim to enhance visibility of the Generali brand, the Group entered into a multi-year partnership with the shipping company Alster, which organizes tourist boat tours on the Alster river.



**Professional sports and high profile events** - Group Companies are very active in this type of sponsorship and play a key role in the countries in which they operate. Their intervention, repaid in image and marketing, helps communities hold events on a national and international scale with positive repercussions on both the local economy and the city's image; in developing markets, this can provide an opportunity for greater economic growth, with implications on a number of levels. Sponsoring famous teams and athletes can also encourage young people to take up sports and follow in the footsteps of great champions. In many cases, companies welcome the chance to hold large sporting and cultural events, as a means of promoting loyalty among their customers, employees and sales networks.

In 2009, major sports sponsorship by Group companies included professional sports events on an international level, Federations, national teams and Olympic Committees, club teams and key athletes.

Practically all sports are represented, with a special focus on winter sports through the sponsorship of the Alpine Skiing World Cup (Austria), of Adam Malysz, four-time winner of the ski jump World Cup (Poland) and of skier Tina Maze, who took part in the Winter Olympics in Vancouver (Slovenia). The Group is also involved in ice hockey, sponsoring the Spengler Cup, the oldest international ice hockey tournament for companies (Switzerland), the national Federation of the Czech Republic and the Aquile FVG team (Italy).

Generali is also very active in equestrian competitions, supporting the Aachen CHIO Aachen, sponsored in Germany for over 50 years, the CSIO (Switzerland) and the Velká pardubická (Czech Republic), as well as the Generali Open de France, a French horse-racing competition for amateur riders, which attracts the participation of thousands of competitors, most of whom are under the age of 18.

With the sponsorship of the Ducati racing team and the Valencia MotoGP world motorbike Championship (Italy) the Group's commitment to motorbike and car racing has increased, and it enjoys a particularly extensive presence in Central-Eastern European countries, sponsoring athletes such as motorbike racer Lukáš Pešek (Czech Republic) and Gabor Talmácsi (Hungary) and pilot Tomáš Enge, winner of Le Mans Series 2009 (Czech Republic) as well as competitions such as the Česká Pojišťovna - Skoda Octavia Cup car race.

Generali is also active in the following sports: in football, with the national team (Italy) and first and second league clubs in Austria, Germany and the Czech Republic; in tennis, with the Ladies Linz tournament (Austria), the BSI Challenger (Switzerland) and the JB Classic in Hong Kong; in sailing, with the popular Barcolana regata in Trieste (Italy), the Easter Regatta (Croatia) and sailor Yann Eliès (France); in athletics, with the Warsaw marathon (Poland) and the European marathon in Trieste (Italy); in triathlon, with the European Triathlon Cup (Belgium) and Stéphane Rouyer, disabled athlete and national champion (France); in basketball, with sponsorship of Hapoel Migdal Jerusalem (Israel); in golf, with the Evian Master, an international women's tournament (France); and in rugby, with the national team (Austria).



BIOMASS POWER PLANT,  
CA' CORNIANI

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Caorle, Venice

Photo: Mauro Mezzarobba

# ENVIRONMENT

## Environmental Policy and Environmental Management System

2009 was an important year for the Generali Group and the environment: the international GEMS-Generali Environmental Management System project was launched in April, with the aim of implementing an Environmental Management System (EMS), that meets ISO 14001 standards.

One of the first steps for launching the system was the definition of the **Environmental Policy of the Generali Group**, which covers 100% of the employees and meets the following requirements:

- it is a public document, which can be downloaded from the [www.generali.com](http://www.generali.com) website;
- it refers to all the most important issues;
- the Top Management is responsible for the document;
- it undertakes to use specific targets;
- it undertakes to monitor environmental performance and perform internal controls on the efficiency and effectiveness of the Environmental Management System;
- it undertakes to publically report on the Group's environmental performance.

The **Group Environmental Policy**, approved on 31 July 2009 by the Parent Company Board of Directors, reiterates Generali's commitment to safeguarding the environment declared in its Ethical Code. In particular, the document defines the objectives and commitments that guide the Group's decisions and actions for the purpose of contributing positively to sustainable development. The objectives identified refer both to the direct environmental impact, traceable to the Group's insurance and financial activities, as well as indirect impact, associated with the supply, planning and distribution of insurance and financial products and institutional investment activity.

In addition, to implement and maintain the Environmental Policy active, the Group prepared a document by the title **Group objectives and targets for environmental improvement**, a summary of which is available on the website [www.generali.com](http://www.generali.com) with the objective of supporting commitment towards continuous improvement of the Generali Group's environmental performance. For each of the objectives identified in the Group Environmental Policy, the Committee for Sustainability, at its meeting of 25 November 2009, defined specific targets, with reference to the direct and indirect impacts of company activity, which Generali has undertaken to achieve over a period of three years.

Currently, the most important countries in the corporate business, i.e. Italy, Austria, France, Germany, Spain and Switzerland including the BSI group, are involved in the implementation of the system, coverage that extends across 35.6% of the Group's workforce.

In February 2010, each country involved in the EMS defined and assessed their **own environmental programme**, including their targets and what they have done to help achieve Group objectives.

The EMS, still being launched, currently satisfies the following requirements:

- a Group Environmental Policy has been adopted;
- the environmental impact of company business on the environment has been identified by an environmental analysis conducted on the main Group company sites;
- key performance indicators were defined (KPIs);
- the Group objectives and targets document has been devised, and periodic checks (twice yearly) must be made to verify and measure whether these are met using the KPI;
- the Group's Internal Auditing Department has been asked to periodically perform a verification of the System requirements which is not limited to compliance with current legislations, but which also assesses the efficiency and effectiveness of the system in place;
- an internal information system has been set up which requires two annual reports, to evaluate the situation at 30 June and 31 December. A review is provided by the Top Management with the intent of continuous improvement.

Specific information and training programmes have been organised and environmental responsibilities have been defined in order to promote a strong and lasting environmental culture among the Group's workforce.

In September 2009, monitoring of the key performance indicators (KPIs) began, and data up to 30 June 2009 was collected regarding, in particular, consumption of electrical energy, thermal energy, paper and water, waste products and company mobility.

## Organisational structure

The Sustainability Committee is the decision-making body which defines, evaluates and reviews the Group's environmental policies, objectives and targets, basing its work on the input it receives from the CSR Committees, established in each country and appointed the task of communicating the decisions taken by the Corporate Centre to local Group companies and implementing them by defining suitable programmes.

The Environmental Management System Committee (deriving from the former Eco Committee) also plays an important role in the EMS implementation. The operating committee comprises of Italian Group managers from the areas of Real Estate Management, Purchasing and Logistics, IT, Human Resources, Strategic Marketing and Corporate Social Responsibility Departments with the specific competences required to attain project objectives, and contacts for the CSR from each country involved, which in turn are organised in their own country in collaboration with national structures dedicated to environmental issues.

### National structures (as at the beginning of 2010)

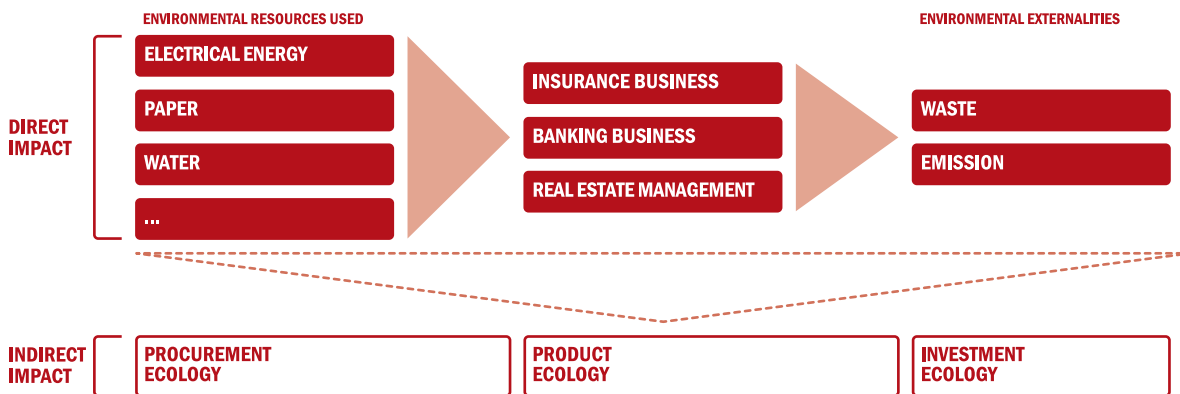
Country	Type of organisation and/or structure involved	Objectives
Italy	EMS Committee (restricted solely to members of the Corporate Centre)	<ul style="list-style-type: none"> <li>objectives aligned with those of the EMS project</li> </ul>
Austria	Work group <ul style="list-style-type: none"> <li>comprising of Real Estate Management and Safety Management representatives</li> <li>report directly to Top Management</li> </ul>	<ul style="list-style-type: none"> <li>stabilize energy consumption</li> <li>reduce energy costs</li> </ul>
France	Department of Workplace <ul style="list-style-type: none"> <li>comprising of 90 people</li> <li>reports to the CSR Committee</li> </ul>	<ul style="list-style-type: none"> <li>corporate services management</li> <li>health and safety in the workplace</li> <li>building maintenance</li> <li>framework organisation</li> <li>optimization of natural resources (energy, water, etc.)</li> </ul> From 2010, this Department became responsible also for the development and implementation of the environmental programme, devised with the CSR Committee
Germany	Sustainability Management, as part of Real Estate Management	Raise sustainability awareness within the Group through: <ul style="list-style-type: none"> <li>implementation of an environmental control system</li> <li>environmental activity guide</li> <li>control and coordination of social activities</li> <li>implementation of sustainability communication in collaboration with the Corporate Communication Department</li> </ul>
Israel	Environmental protection management committee: <ul style="list-style-type: none"> <li>comprising of managers from throughout the corporate structure</li> <li>chaired by the manager of the operating divisions of Migdal, who reports to the company's Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>discuss, approve and promote the Migdal environmental protection plan</li> </ul>





Country	Type of organisation and/or structure involved	Objectives
Spain	A new department will be created in 2010 responsible for CSR and environmental issues	<ul style="list-style-type: none"> <li>• organization and management of environmental issues</li> </ul>
Switzerland	The Logistics Department is responsible for environmental issues	<ul style="list-style-type: none"> <li>• supplies</li> <li>• waste management</li> <li>• environmental issues in general</li> </ul>

## Direct environmental impact



Group companies are all committed in one way or another to adopting sustainable practices and behaviours that are more suited to reducing the direct environmental impact that their line of work has on the environment.

In 2009 the Group has continued implementation process on the data collection relating to electrical energy, water and paper consumption and to gather information on waste collection and disposal methods throughout the Sustainability Report area. With the implementing of the EMS has been made a special effort to standardize the procedures for data collection and to redefine the reporting, which is different in part from what had previously been considered; for this reason, 2008 data for certain countries - recalculated to make for uniformity with 2009 data - is different from the data published in the previous Sustainability Report.

The data published in this report refers to companies in Israel and in the Europ Assistance group located in Italy, Austria, Germany and Spain in addition to the companies in the GEMS project.

## Environmental aspects

### Energy

In 2009, the Generali Group overall utilised 855.7 Tera Joules of energy (20,439.2 TOE - Tonne oil equivalent, +4.8% compared to 2008); as a result, there were no net energy savings in the year. 71.1% of the consumption refers to electrical energy, used primarily for lighting, powering machinery, air conditioning and, in some cases, also heating, while the remaining 28.9% relates to thermal energy, used to heat the workplace.

Group companies do not currently produce their own energy: they rely therefore only on indirect energy consumption.

## Consumption of electrical energy

	CONSUMPTION (KWH)		PER CAPITA CONSUMPTION (KWH)		CHANGE
	2008	2009	2008	2009	2009/2008
ITALY	33,971,973.6	35,281,629.1	6,232.2	6,082.0	-2.4%
AUSTRIA	11,590,454.0	11,508,204.0	2,191.8	2,168.9	-1.0%
FRANCE	20,496,501.1	20,787,343.0	4,598.7	4,358.8	-5.2%
GERMANY	48,920,119.0	50,913,547.0	4,606.8	4,822.7	4.7%
ISRAEL	9,633,072.0	10,640,000.0	5,198.6	5,223.4	0.5%
SPAIN	16,759,454.2	15,285,295.8	6,281.7	5,757.2	-8.3%
SWITZERLAND	23,839,815.0	24,480,926.0	7,527.6	7,477.4	-0.7%
TOTAL	165,211,388.9	168,896,945.0	4,931.2	4,909.9	-0.4%

- In 2009, consumption of electrical energy increased by 2.2% compared to 2008, however this was offset by a 0.4% reduction in per capita consumption, calculated as the ratio of overall consumption to the total number of Group company employees. In terms of full time equivalent (FTE), where FTE is equivalent to one person working 8 hours a day, per capita consumption increases slightly to 5,311.6 kWh, in line with the competitors.
- Italy and Germany have the highest electrical energy consumption, alone representing 51% of the total. The high level of consumption is partly due to the presence of data processing centres (DPC) in some bases, which also carry out activities on behalf of Group companies from other countries. In Italy in 2009, the DPC was expanded, and recorded consumption of 15.5 GWh compared to the 12.2 GWh recorded in 2008, while DPC consumption in Germany was 16.9 GWh.
- The increase in consumption recorded in Germany overall and per capita is attributable to a new building in the reporting area. All other countries recorded a decrease or no change in the per capita consumption. Growth in overall consumption of 3.9% in Italy was attributable to the excessive use of air conditioning systems in some companies, due to the exceptional of heat recorded in the summer months.

As stated in the document **Group objectives and targets** for environmental improvement, the Group is committed to optimising energy consumption, establishing a target for reducing per capita energy consumption by 5% against 2009 figures by 2012. Data collection in September for monitoring activities has highlighted the countries that in this regard were more critical and has led to appropriate action being taken in the course of the year.

The Group is also committed to introducing and increasing the amount of energy it uses from renewable sources. Currently, in all Sustainability Report countries except Italy and Israel, a share of the electrical energy used is from renewable sources. In particular, 83.3% of total consumption in Austria, 32.8% in Germany, 20.7% in Spain and 57.5% in Switzerland (equal to all the energy used by BSI) came from renewable sources, such as hydroelectric, solar, wind and biomass power.

In 2009, **energy consumption for heating** was also measured, and was **2,520,381.7 cubic metres (m<sup>3</sup>)** overall, almost all comprising natural gas with only the remaining 0.01% from liquid fuels. None of the countries currently obtain thermal energy from renewable sources.

In France, Israel and Spain, no fuels are used for heating, instead other forms of energy such as electrical energy and district heating are used. Use of the latter is growing: in 2009, district heating consumption was **40,977,929 kWh**, of which Germany consumed 27,835,344 kWh, Austria 7,097,785 and France 6,044,800, where this system has been used for some time, but this was the first year that consumption data became available.

### Management of buildings and company structures

In all Group companies, the management of buildings, company structures and real estate is fully compliant with national legislation. In addition, the Group is increasingly oriented to minimising negative environmental impact and to continuously improving the operating comfort of staff members. Management of buildings and systems is normally entrusted to representatives from the main technical offices, which also deal with the management of health and safety in the workplace and purchases.

Eco-compatible criteria are used insofar as possible in the renovation/restructuring of buildings, as well as in new constructions, with a focus on energy saving, on limiting carbon dioxide emissions and on the materials used. Energy certification for some Group buildings has been requested in **Italy**. The building renovation measures introduced place the buildings in energy class B or C. The possibility of certifying some building/renovation materials is also being assessed.

In **Austria**, most buildings owned by the Group, used by the company and by third parties, have been energy efficiency certified and awarded building passports or energy performance certificates.

In **France**, all new buildings hold High Quality Environmental certification (HQE); the management of all existing buildings, and the planning of new buildings, is compliant with these criteria. An "Environmental Plan" that contains details of the environmental and sanitation criteria to be adhered to when renovating Group real estate has been drafted.

In 2009, the Maison Generali (Generali house) project was launched, which aims to create a single Generali base in each city; the aim is to have 110 bases. As part of the project, old bases must be sold and new buildings that meet eco-compatible and low consumption criteria will be rented to accommodate the Group's needs.

In **Israel**, all Group buildings are compliant to Standard Institute regulations.

In **Spain**, an agreement has been entered into with the GESTIONNA advisory company to implement any modifications and changes that may be required to improve energy efficiency in the buildings.

### Major initiatives for improving energy efficiency

- Installation of **automatic on/off devices** for lights and heating and air conditioning systems: movement sensors have been installed in many premises in Italy, Austria, France, Israel and Spain. In Spain, illuminated signs have been fitted with timers so that their intensity automatically adjusts to different light conditions.
- **Installation of control devices** for the temperature, humidity and fan speed devices, which operate through the central management systems or local timers between a preset minimum and maximum: in Italy, Austria, Germany, Spain and Switzerland, energy saving connection circuits are used; in Israel, movement sensors have been installed for an improved use of air conditioners.
- **Renovation of buildings** using insulating glass, thermal insulation and the upgrading of heating or cooling systems: most premises in Italy, Austria, France, Germany, Spain and Switzerland have been entirely renovated. In Spain, some refrigeration compressors have been replaced by multisplit, which allow the temperature to be adjusted as required. In Italy, in the premises of the Trieste headquarters where a corporate nursery is being built, a floor and ceiling heating system has been installed.
- **Energy saving light:** bulbs are used in Italy, Austria, France, Israel, Spain and by BSI in Switzerland.
- **Installation of LED:** lighting systems offer significant advantages over traditional light sources, such as greater reliability, higher efficiency and significantly longer life. Systems of this type have been particularly introduced at some locations in Italy, Austria and Germany. In France, on the other hand, the Avenue des Champs Élysées premises have exclusively adopted LED lighting: the building is the first in the service sector in the world to be lit exclusively with this innovative system.
- Increasing the share of **energy from renewable sources:** in France, Spain and Austria, in the latter country the supply contract requires 80% of energy from renewable sources, of which approximately 75% comes from hydroelectric power and 3.5% from wind power; in Germany, the TÜV certification body confirms that the electrical energy comes from renewable sources; in Italy in 2010 the companies will purchase a share of electrical energy from renewable sources.
- Studies for the introduction of **photovoltaic panels** have been conducted or are planned in Italy, Austria and France. In particular, a feasibility study was ordered in Italy for the installation of photovoltaic systems on terraces and roof gardens or green areas, at the offices in Mogliano Veneto and in France, for the Saint-Denis site. In Austria, on the other hand, the option of installing medium size solar panels on building roofs was reviewed, however this solution is not currently deemed to be sufficiently efficient.
- Use of **district heating:** in Austria central heating has been removed from the offices in the centre of Vienna, having been replaced with district heating; district heating represents more than 65% of the energy used by the group in Austria for heating purposes. Generali Austria also participates in the Fernwärme Wien AG (Vienna's District Heating Company) project, which promotes the use of this type of energy for air conditioning. The Austrian Group has estimated a reduction of about 1,872 tons of carbon dioxide (CO<sub>2</sub>) in view of the use of approximately 7,200 MWh/year of energy from district heating compared to gas oil. In Germany district heating is also widely used.

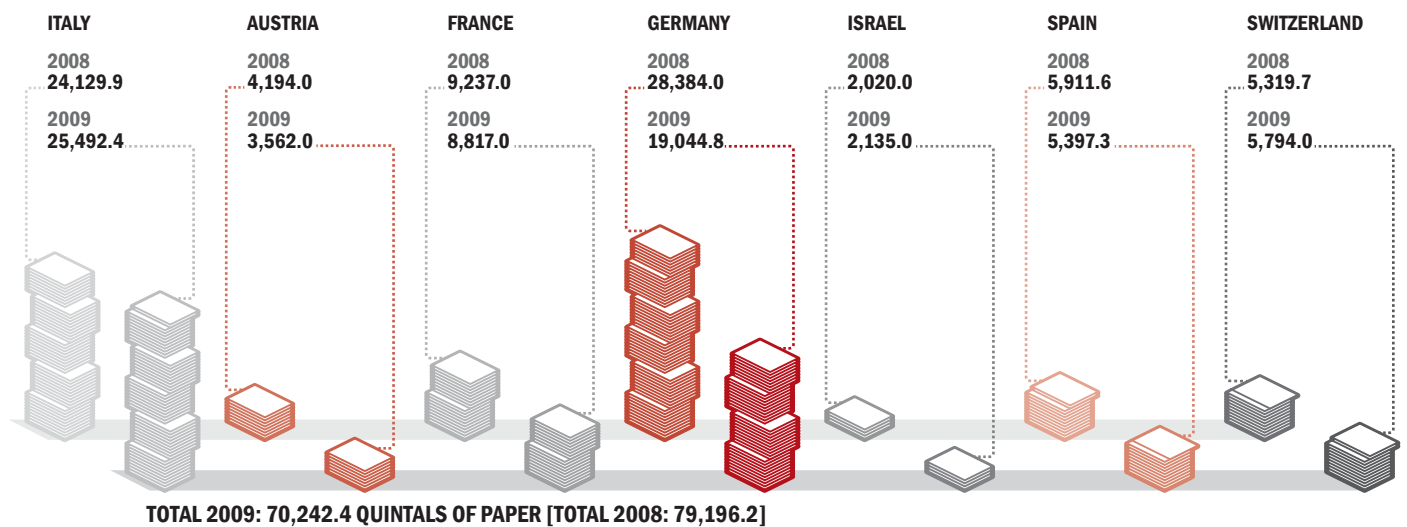
In Germany the “**Energy management**” project, affecting all Group companies since 2008, is worthy of mention. The project has the following objectives:

- implementation of an integrated and sustainable energy management system;
- significant reduction of energy consumption and harmful emissions;
- business optimisation with a consequent reduction in costs;
- choice of energy supply on favourable terms based on the medium/long term;
- provision of required data for the implementation of the Group Environmental Management System.

The project consists of four sub-projects that respectively deal with: technical aspects for optimising management of buildings and company structures; collection, management and analysis of data and its use; energy supply, with the objective of reducing energy costs; human resources, to raise further awareness among employees, clients and the general public even further of the more efficient and correct use of energy.

## Paper

### Consumption of paper



- In 2009, the Group’s total paper consumption fell by 11.3% compared to 2008. It includes 28,613.4 quintals (40.7%) of white paper and 41,629 quintals (59.3%) of printed paper, namely paper purchased from suppliers for printing documents and publications such as policies, financial statements, studies, newsletters, etc.. Data on printed paper consumption of Europ Assistance Italia, Europ Assistance Deutschland and Europ Assistance Österreich is not available.
- Compared to 2008, the quantity of white paper increased by 5%, primarily due to improved data collection methods in almost all countries, and that of printed paper reduced by 19.1%. The marked reduction in consumption in Germany (-58.4%) contributed greatly to the overall reduction in printed paper, after waste printed paper was no longer permitted to be used following mergers in 2008, in Spain (-24.3%) and Austria (-23.7%), which benefitted from the measures adopted, which are described below.

As stated in the **Group objectives and targets** for environmental improvement document, the Group is committed to optimizing paper consumption and has established a target to reduce total consumption by 5% compared to the end of 2009 levels by 2012.

An increase in the quantity of environmentally friendly paper is also expected. This encompasses any type of paper that contributes to sustainable development, such as ECF (Elemental Chlorine Free), TCF (Total Chlorine Free), FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification). Currently 100% of the paper used in Austria, France, Spain and Switzerland is ecological; also in Italy, since the beginning of 2010, only environmentally friendly paper may be purchased. Current data on environmental friendly paper in Germany and Israel is not available, while for Italy only figures on printed paper used for corporate publications by the Parent Company are available (314.7 quintals).

### Main initiatives for improving the management of paper

- Setting, where possible, the **duplex print** option on printers and colour printing only where necessary: this method is used by most Group companies.
- Replacement of individual printers, photocopiers and faxes with **multi-functional equipment** or centralised printers for offices/floors: they have already been installed in some company offices/companies in Italy, Austria, France,



Germany and Switzerland; in Spain feasibility studies are being conducted, after which the purchasing process will be implemented.

- Use of **low grammage** environmentally friendly paper: in Italy and Austria the paper currently used is being replaced with paper with a lower grammage. Even if the levels of consumption persist, consumption for the same number of sheets guarantees a reduction in terms of weight and notable savings in terms of natural resources used in producing the paper.
- **Electronic document archiving**: this is increasingly carried out in Italy, France, Spain and Switzerland; in Austria paper mail received from the client is scanned and distributed electronically to the individual workplace.
- Introduction of measures to **reduce paper consumption in the agency**: In Italy, many agencies print policies at the time of issue and eliminate pre-printed forms; in Austria, policy conditions can be viewed online and are only provided in paper format on the customer's specific request; in France, there has been a reduction in the amount of printed materials used; in Switzerland, the company bank BSI has introduced "Leo-Long reporting", consisting of a summary statement, to replace the individual notification previously sent to customers for every transaction made.
- Use of **means other than paper** for company/agency/client communications: in Italy, some companies send notification of policy execution by SMS; in Austria both SMS and e-mail are used to inform clients of the status and settlement of claims; in Spain only e-mail is used for internal correspondence and paper letters are only sent when strictly necessary. The results achieved in terms of organising communications and reducing paper consumption within the agency have been encouraging in all countries; however in accordance with the law, many insurance-banking sector communications must be issued on paper.
- **Other initiatives**: in Austria, some work stations have been fitted with two monitors, in order to avoid printing documents; in many countries paper Christmas cards have been replaced with e-cards and electronic forms are used for employee requests, such as the refund of expenses, payment of overtime, holiday time and leave requests, etc..

Many of these measures have positive repercussions not only on paper consumption, but also on toners (296.5 quintals in 2009 with 6.8% savings compared to 2008) and energy. This reduced paper consumption is combined with the benefits arising from interventions on the Group's real estate that have been implemented or are in the process thereof.

## Water

Group companies primarily use water for hygiene and sanitary purposes, and for the operation and cooling of the air conditioning systems; only on some premises is water also used for green areas. Almost all the water consumed comes from municipal or state conduits; only a very small quantity of water equivalent to 0.1% of all water consumption, relates to subsoil water used in Austria (200 m<sup>3</sup>) and Germany (709 m<sup>3</sup>). Insurance and banking activity essentially produces waste water, which is released into urban drains.

### Consumption of water

	CONSUMPTION (CUBIC METRES)		PER CAPITA CONSUMPTION (CUBIC METRES)		CHANGE 2009/2008
	2008	2009	2008	2009	
ITALY	206,766.7	235,684.2	37.9	40.6	7.1%
AUSTRIA	51,001.0	49,738.0	9.6	9.4	-2.8%
FRANCE	30,173.0	37,979.0	6.8	8.0	17.6%
GERMANY	126,473.1	133,426.8	11.9	12.6	6.1%
ISRAEL	49,800.0	53,000.0	26.9	26.0	-3.2%
SPAIN	30,345.8	26,803.0	11.4	10.1	-11.2%
SWITZERLAND	97,583.6	96,952.0	30.8	29.6	-3.9%
TOTAL	592,143.2	633,583.0	17.7	18.4	4.2%

- In 2009 overall water consumption rose by 7%, particularly in France (+25.9%), Italy (+14%) and, to a lesser extent in Israel (+6.4%) and Germany (+5.5%). Per capita consumption has also increased, especially in France.
- Italy has the highest levels of water consumption, accounting for 37.2% of the total, with growth spanning absolute and per capita figures, due to excessive use of the air conditioning systems in some companies on account of the exceptional heat recorded in the summer months. The data recorded is nevertheless in line with that of Italian competitors.
- The particularly high increase recorded in France is ascribable to the increase in meals provided by company cafeteria, which is also due to the workforce extension and to the effects of a massive campaign to raise awareness

among employees on the importance of washing their hands often and thoroughly to avoid spreading infection during the flu epidemic.

- The 11.2% reduction recorded in Spain is the result not only of improvements introduced in the air conditioning and cooling systems, but also of initiatives to raise awareness among employees of responsible use of water.
- In the city of Lugano, Switzerland, the company bank BSI uses lake water for its cooling system. This system, commonly used in Lugano, entails water being pumped into the system, used and then returned to the lake without harming the environment: in fact, the temperature of the water after use is just 2 or 3 degrees above or below the temperature of the lake, depending on the season. Consumption of industrial water that is used and recycled using this system accounts for the vast majority of the overall water used by BSI (it increased to 543,259 m<sup>3</sup>, equal to about 85% of the total in 2009) and this year it was not included in the consumption for Switzerland, as the water was returned to circulation immediately after use, as opposed to previous years when consumption in Switzerland was very high for this very reason.

As stated in the **Group objectives and targets** for environmental improvement document, the Group is committed to responsible use of water, setting itself a target to reduce total consumption by 5% compared to the end of 2009 levels by 2012.

In all countries, measures continued for the improvement of water consumption management; in particular, in Austria, Israel and Spain devices to regulate the flow of water in bathrooms were installed and taps that mix air and water were installed in some Italian premises.

### Waste

In 2009 the Group produced a total of 78,066.7 quintals of waste, of which 49,124 quintals (62.9%) were collected using selective waste collection and 28,942.7 quintals (37.1%) were incinerated or taken to the landfill site. Paper and cardboard, plastic, glass, aluminium, sanitary waste, hazardous waste, IT waste and toners are subject to selective waste collection.

#### Quintals of waste subject to selective waste collection

	TOTAL		OF WHICH PAPER-CARDBOARD		OF WHICH IT		OF WHICH TONER	
	2008	2009	2008	2009	2008	2009	2008	2009
ITALY	4,382.8	3,946.8	2,597.4	2,502.3	65.5	26.4	95.7	81.1
AUSTRIA	3,414.1	4,564.2	2,517.0	2,784.0	31.1	53.6	46.2	105.2
FRANCE	3,667.4	2,840.0	n.a.	n.a.	260.0	290.0	45.0	29.0
GERMANY	34,031.5	31,202.5	18,947.0	19,249.6	203.0	202.2	49.5	27.1
ISRAEL	90.0	210.0	60.0	180.0	n.a.	n.a.	30.0	30.0
SPAIN	1,617.4	2,508.9	1,594.1	2,489.2	17.5	15.0	3.9	2.8
SWITZERLAND	4,998.0	3,851.7	3,189.0	2,821.6	590.0	25.9	48.0	21.3
<b>TOTAL</b>	<b>52,201.2</b>	<b>49,124.0</b>	<b>28,904.5</b>	<b>30,026.7</b>	<b>1,167.0</b>	<b>613.1</b>	<b>318.2</b>	<b>296.5</b>

- In 2009, the quantity of total waste subject to selective collection fell by 5.9%; the quantity of paper increased (+3.9%), while that of the toner fell (-6.8%), as did IT waste, which was almost halved (-47.5%). It should also be noted that the latter, by its nature, can be subject to significant changes from one year to the next depending on how much hardware has been replaced.
- In all countries, companies are expanding their collection containers or they are preparing for selective waste collection to recycle paper, plastic, glass, aluminium and wet waste: in 2009, 40,138.6 quintals, or 81.7% of waste subject to selective waste collection was recycled. To increase efficiency, many companies have launched special campaigns to raise awareness of selective waste disposal among employees. In France and Spain, all company cafeterias have implemented selective waste collection.
- **Paper**, which is the most significant material, alone accounting for 61.1% of overall waste, is entirely disposed of by selective waste collection and is fully recycled.
- Germany alone collects 64.1% of the paper recycled by the Group; the high level of recycling is due to very specific regulations in place in the country, which aim at limiting the waste of resources by regulating the methods for disposal of material in an ecologically-correct and, where possible, simple manner.

- In Italy, Austria, Germany, Israel and BSI in Switzerland recycled containers or envelopes are used to distribute post and internal communications; this significantly reduces consumption of paper envelopes and cardboard. In Austria, cloth towels are used in the toilets instead of paper towels.
- **IT waste, toners** and “**hazardous**” waste (such as neon tubes, batteries, etc.), are collected and disposed of separately by specialist companies in accordance with the legislation in force in the various countries, and records and mandatory documents are kept.
- In all countries, electronic equipment that is no longer in use is returned to suppliers or to plants specialising in disposal and recovery of reusable parts. The considerable reduction in IT waste seen in Switzerland in 2009 is due to the fact that production in the prior year was affected by BSI replacing most of its cathode tube monitors with LCD monitors.
- In Austria, Germany, Israel and Switzerland, refillable toners are used and/or cartridges are returned to the supplier; this explains the generally lower level of consumption than that in Italy, for example, where the use of refillable toners is currently being assessed. The sharp increase in Austria in 2009, where the amount of **toners** disposed of more than doubled and now represents 35.5% of the total, is due to the fact that this year, for the first time, the data also includes the consumption of agencies.
- In 2009, Group companies collected 34.5 quintals of hazardous waste and 2.9 quintals of sanitary waste (gauze, plasters, etc.) used where a nurse is present.

As stated in the **Group objectives and targets** for environmental improvement document, the Group is committed to responsible waste management and has set a target to increase the quantity of waste collected by selective waste collection by 10% by 2012.

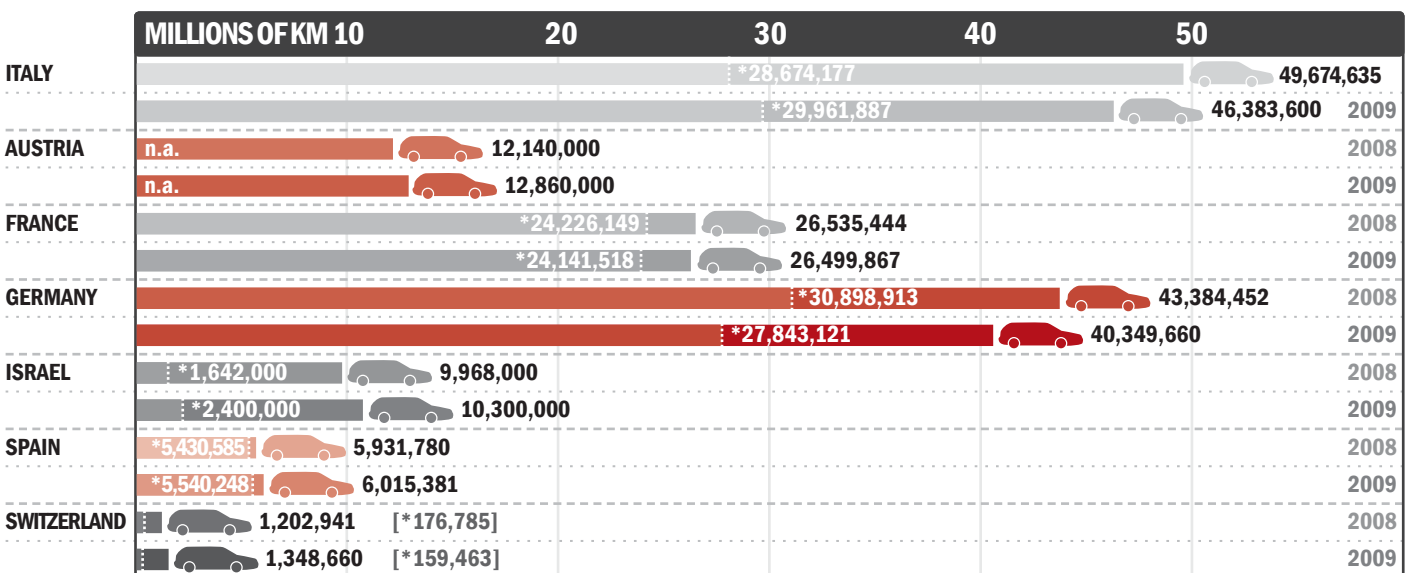
### Greenhouse gas emissions

For banking and insurance companies, greenhouse gases emitted into the atmosphere during business operations can mainly be attributed to the consumption of electrical energy and energy used by heating/air-conditioning systems and for the purposes of mobility.

### Mobility

In 2009, Group employees travelled 206,728,468 kilometres for work purposes, 70% of which by car, 20% by train and 10% by air. Journeys by train and air have been published for the first time this year.

#### Work-related travel by car in kilometres

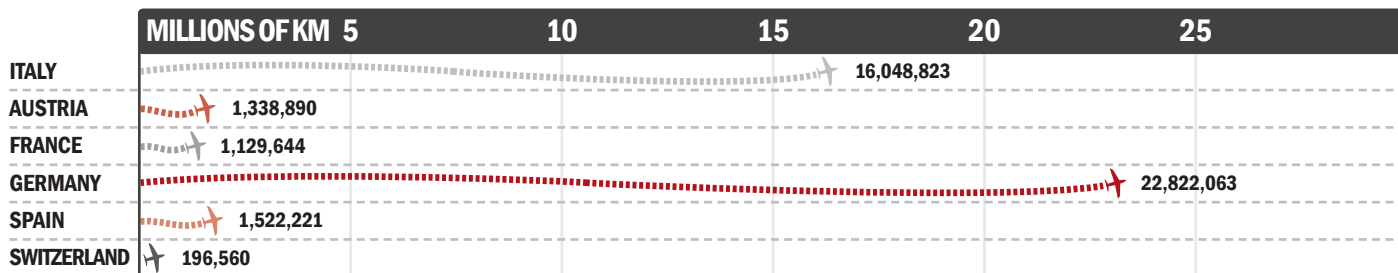


**TOTAL 2009: 143,757,168 [OF WHICH BY SALES FORCE 90,046,236]; TOTAL 2008: 148,837,252 [OF WHICH BY SALES FORCE 91,048,609]**

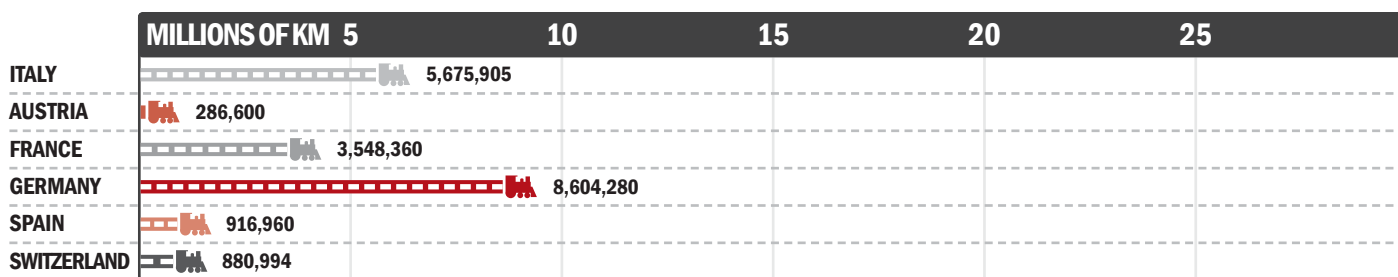
- In the year, a number of mobility management initiatives led to a 3.4% drop in the number of work-related travel by car, attributable mainly to the significant reduction in Germany (-7%) and in Italy (-6.6%), which together account for 60% of total kilometres.
- For Austria and insurance companies in Switzerland, only the kilometres travelled for work by company vehicles were recorded. The 5.9% increase in travel recorded in Austria is ascribable to the expansion of the company fleet.

- For those countries for which sales force travel data is available, such travel almost always makes up an extremely high percentage of the total kilometres travelled (on average approximately 69% of the total), in line with the type of relative functions. The percentage is particularly evident (in excess of 90%), especially in France and Spain.

### Work-related travel by air and train in kilometres



TOTAL 2009: 43,058,201 KM



TOTAL 2009: 19,913,099 KM

- Kilometres by air refer to all companies in the Sustainability Report area, except Europ Assistance Italia and Europ Assistance Österreich, while those by train do not include Europ Assistance in Italy, Austria and Germany.
- In Spain, due to the recent launch of the high-speed rail link between Madrid and Barcelona, rail travel in 2009 increased by 71% compared to 2008, while air travel decreased.
- In Austria, rail travel involves “environmentally friendly” trains, namely low carbon trains, as most of the energy used by Austria’s rail system comes from renewable sources (hydroelectric power).
- Notwithstanding Group policies, it should be noted that a preference for the various means of transport in terms of work-related travel is linked to the location of Group offices throughout the country and to the quality of available rail and air links.

### Calculating emissions

Emissions from total consumption of 168,896,945.0 kWh of **electrical energy** purchased by Group companies in 2009 have been estimated to be equal to 53,228.9 tonnes of CO<sub>2</sub> (+3.1% since 2008).

Total emissions of 5,633.4 tons of CO<sub>2</sub> (+3% compared to 2008) have been estimated against energy consumption of 2,520,051.7 m<sup>3</sup> deriving from **natural gas** and 330 m<sup>3</sup> from liquid fuel (liquid fuel data is not available for Austria). Due to a lack of information, it has not been possible to estimate emissions from district heating consumption.

With regard to emissions linked to work-related travel, emissions arising from the use of **cars** by Group employees for work-related purposes, which amounted to 28,032.6 tons of carbon dioxide (CO<sub>2</sub>), a 3.4% reduction compared to 2008, 2.8 tons of methane (CH<sub>4</sub>) and 2.9 tons of nitrous oxide (N<sub>2</sub>O).

Emissions arising from **rail** and **air** travel, on the other hand, were estimated to be: 8,883.2 tons of carbon dioxide (CO<sub>2</sub>), 24.7 tons of methane (CH<sub>4</sub>) and 12.4 tons of nitrous oxide (N<sub>2</sub>O).

In 2009, there were therefore overall CO<sub>2</sub> emissions of 95,778.3 tons, 56% of which from the consumption of electrical energy, 6% from consumption of thermal energy and 38% from company mobility.



Emissions have been estimated using methods set out in the Greenhouse Gas Protocol (GHG), the standards of the World Business Council on Sustainable Development (WBCSD) and the World Resources Institute (WRI). Emissions relating to corporate mobility were on the other hand calculated using the Distance-based Methodology approach.

As stated in the **Group objectives and targets** for environmental improvement document, the Group is committed to limiting carbon dioxide emissions; in particular, it has set itself a target to reduce CO<sub>2</sub> emissions from corporate mobility by 10% by 2012.

### Initiatives for reducing greenhouse gas emissions

In addition to the measures described in the “energy” paragraph, aimed at limiting energy consumption and therefore emissions from heating/air-conditioning and lighting systems, Group companies have also adopted various measures to ensure the efficiency of plants and prevent harmful emissions. In compliance with current legislation, a system of monitoring plants and their correct operation is therefore in place in all offices and entails: regular checks by external companies, periodic on-site inspections by Group technicians among other measures. In addition, all countries in the Sustainability Report area are working to eliminate refrigerant gas (R22) from all air conditioning systems; the process has already been completed in Austria, Germany and Spain.

Group companies have adopted a number of measures to reduce emissions arising from mobility.

Most countries have a department that is responsible for mobility management. In Italy, a mobility manager is based in Trieste, who is responsible for devising sustainability initiatives and better ways for people to travel between home and work and maintains relations with local authorities on these issues. Austria’s Human Resources Department has a mobility manager who manages the vehicles in the company fleet. In Germany, the mobility management covers a number of contractual conditions, from transport service providers to checking and revising travel policy.

In 2009, the main mobility management initiatives introduced were:

- **travel policy**, which promotes the use of public transport and the least polluting means: in Italy, Austria, France, Germany and Switzerland. In Austria, in particular, all air travel must be authorized by Top Management;
- **car policy**, which sets maximum carbon dioxide limits for company vehicles: in Austria, France (including for the sales network) and Italy (currently being finalised);
- the purchase of **electrical or hybrid vehicles** for company use: in Italy, Europ Assistance has purchased 10 hybrid vehicles; in France two electrical vehicles were used for the transportation of packages and post between the three buildings in Saint-Denis and a hybrid vehicle was purchased for a member of the Top Management; in Israel three hybrid vehicles have been purchased; in Austria the initiative is still being studied;
- **driving lessons**, targeting not only driver safety, but also how to get the most use out of fuel and tyres: in Italy, for the Europ Assistance company, and in Israel;
- reduced public **transport costs** for employees: in Italy, Europ Assistance bears the full cost of a 10% discount to employees for annual travel cards in Milan, on top of the existing 10% discount borne by the Municipality of Milan; in France, Generali France bears 60% of the cost of annual travel cards valid for all means of public transport in Paris and its suburbs; in Switzerland, the BSI company bank contributes 50% towards employee rail passes and has entered into an agreement with the national rail network for reduced ticket prices;
- provision of **shuttle services** to link awkwardly located branches located in various parts of the same city or to link branches with the railway station or the nearest bus or tram stop: in Rome and in Mogliano Veneto in Italy and also in Israel;
- promoting **car pooling**: in Germany the Group company Intranet has a dedicated car pooling section; in France companies have access to an external portal that is used by several companies in the Saint-Denis area, while the initiative is being studied in Italy;
- promoting the use of **bicycles**: in Austria and France;
- implementation of a **tele-expertise** system for motor claims, to limit the number of car journeys that experts make: in Austria and in Switzerland;
- initiatives for **low carbon dioxide emissions** (CO<sub>2</sub>) or other greenhouse gasses journeys: in Germany, the Group has entered a partnership with Deutsche Bahn (Germany’s rail network) by which all rail journeys by employee for work-related purposes are “neutral carbon”, namely the electrical energy consumed per kilometre travelled is purchased from renewable sources. Similarly, pursuant to the GoGreen agreement with Deutsche Post/DHL, for each package sent, the corresponding CO<sub>2</sub> emissions are offset by the purchase of certificates that neutralises them in

environmental terms. In Switzerland, the Group offsets CO<sub>2</sub> emissions linked to several mailing campaigns, which are conducted by sending letters to clients, through the purchase of certificates;

- **telecommuting**: in Switzerland, some employees have the option of working from home, reducing the number of journeys between home and the workplace and to the client's home, which also reduces greenhouse gasses;
- increasing use of **videoconferencing** or **teleconferencing** to avoid travel, where possible.

#### Number of videoconferences

	NUMBER		CHANGE
	2008	2009	2009/2008
ITALY	3,715	5,940	59.9%
AUSTRIA	105	120	14.3%
FRANCE	164	223	36.0%
GERMANY	1,303	1,672	28.3%
ISRAEL	7	9	28.6%
SPAIN	1,528	1,824	19.4%
SWITZERLAND	380	665	75.0%
<b>TOTAL</b>	<b>7,202</b>	<b>10,453</b>	<b>45.1%</b>

- In 2009, the videoconference system development continues, with the aim of reducing travel and, at the same time, establishing a visible link between correspondents in different countries.
- Virtual meeting rooms are increasingly used in all countries: in 2009, the number of organised videoconferences grew by 59.9% in Italy and by 75% in Switzerland.

Of the initiatives which aim to reduce emissions from corporate mobility, Europ Assistance Italia's renewed involvement in the **10x10 Project** promoted by the monthly Quattroruote magazine in 2009, is worthy of notice. More than thirty large companies are involved in the project with the joint objective of reducing the CO<sub>2</sub> emissions of their corporate fleets by 10%. The main interventions by Europ Assistance in 2009 were:

- purchase of ten hybrid cars for the Rent Vai 24h rental fleet;
- introduction in company monitoring systems for CO<sub>2</sub> emission assessment, a criteria that is also adopted when selecting new vehicles;
- incentives for the use of videoconferencing.

Particular focus has been placed on the introduction of "Dépannage" service, consisting of on-site vehicle maintenance, wherever possible. The benefits also relate to a reduction in the number of kilometres travelled by roadside assistance vehicles, with a consequent reduction in CO<sub>2</sub> emissions into the atmosphere. The increased use of videoconferencing (up 60% in 2008) has led to other significant benefits in term of reduction in employee transfers from one meeting place to another.

In particular, the entire Generali Group's decisions to follow a decision made by the German Group in 2008, that is to adhere to the **Carbon Disclosure Project (CDP)**, an international initiative backed by more than 500 large institutional investors to collect information from top global companies on collecting information on their greenhouse gas emissions and strategies for addressing risks and opportunities deriving from climate change. For the first time this year the Group has provided information to the CDP database and will have the opportunity, as a signatory investor, to access the entire database to view the environmental performances of the companies it has invested in or intends to invest in.

In 2009 in Germany the Group decided to join the CO<sub>2</sub> - Workshop at Gesamtverband der Deutschen Versicherer - the Association of German insurance companies, to create a unique instrument for calculating CO<sub>2</sub> for insurance companies and set shared objectives to reduce the emissions through appropriate guidelines.

## Fines and penalties

Available records confirm that the Group received no fines or non-monetary penalties in 2009 for failing to adhere to environmental regulations or legislation.

## Biodiversity

The Group does not operate in protected areas or areas of high biodiversity.

## Environmental protection expenditure and investments

In 2009, the Group began to prepare to measure its expenditure and investment in terms of office renovation, waste disposal, and the updating of company fleets, etc.. This data will be available shortly.

## Education and raising awareness

In acknowledging that education is a fundamental factor in the promotion of eco-compatible behaviour, the Group encourages various educational and environmental awareness actions. Such actions target staff members, through a variety of programmes and initiatives, as well as clients and the general public, through awareness initiatives, dedicated conferences and guides and leaflets containing useful advice and recommendations.

In particular, most company Intranet sites contain documents, guidelines and various information on current social and environmental initiatives. Posters are displayed or brochures provided in common areas to promote an environmental and energy saving behaviour among staff members, and to reduce paper and water consumption as well as an awareness of separate waste collection, so as to raise awareness among a greater number of staff members of the possibilities of reducing, reusing and recycling natural resources.

### Major education and awareness initiatives

Country	Type of initiative targets	Method of diffusion	Main objectives and/or contents
Italy	Sustainability Office Project <ul style="list-style-type: none"><li>• staff members</li></ul>	<ul style="list-style-type: none"><li>• posters with simple reminder messages in the Group's main branches in Italy</li><li>• presentation of initiatives on the Human Resources portal and company Intranet</li></ul>	<ul style="list-style-type: none"><li>• diffusion of environmentally-friendly behaviour</li><li>• raising awareness on the efficient use of resources and selective waste disposal</li></ul>
	Venerdì della finanza (Finance Friday) <ul style="list-style-type: none"><li>• employees</li></ul>	<ul style="list-style-type: none"><li>• workshop</li></ul>	<ul style="list-style-type: none"><li>• environmental management system training</li><li>• explanation of the GEMS - Generali Environmental Management System project</li><li>• project results and next steps</li></ul>
	Training <ul style="list-style-type: none"><li>• employees</li></ul>	<ul style="list-style-type: none"><li>• a facility managers focus group</li></ul>	<ul style="list-style-type: none"><li>• CSR training</li><li>• environmental management system training</li><li>• GEMS project training</li><li>• explanation of environmental KPIs</li><li>• definition of data collection methods</li></ul>
	Il Bollettino <ul style="list-style-type: none"><li>• general public</li></ul>	<ul style="list-style-type: none"><li>• environmentally-friendly paper magazine (paper, ink, packaging)</li></ul>	<ul style="list-style-type: none"><li>• focus on social and environmental issues</li><li>• section specifically dedicated to eco-compatible initiatives</li></ul>



Country	Type of initiative targets	Method of diffusion	Main objectives and/or contents
Italy	Participation in the M'illumino di meno (I will use less light) initiative devised by Alleanza and promoted by Italy's Radio 2 and backed by the Italian Ministry of the Environment and by the Presidency of the Council <ul style="list-style-type: none"> <li>staff members</li> </ul>	<ul style="list-style-type: none"> <li>corporate Intranet presentation of the initiative</li> </ul>	<ul style="list-style-type: none"> <li>energy saving and efficient use of energy resources</li> </ul>
Austria	In:site company newsletter <ul style="list-style-type: none"> <li>staff members</li> </ul>	<ul style="list-style-type: none"> <li>paper and online version</li> </ul>	<ul style="list-style-type: none"> <li>information and raising awareness of environmental issues in general</li> <li>energy saving focus</li> <li>sustainable management of natural resources</li> <li>specific articles on the General Group Environmental Policy</li> </ul>
	Guidelines for sustainable management of natural resources <ul style="list-style-type: none"> <li>staff members</li> </ul>	<ul style="list-style-type: none"> <li>posters and notices in common areas</li> </ul>	<ul style="list-style-type: none"> <li>information and raising awareness on resources sustainable management</li> </ul>
	Training using electronic instruments <ul style="list-style-type: none"> <li>staff members</li> </ul>	<ul style="list-style-type: none"> <li>e-learning and virtual classes</li> </ul>	<ul style="list-style-type: none"> <li>reduction in paper consumption as no paper material is distributed</li> <li>reduction in CO<sub>2</sub> emissions as a result of reduced travels</li> </ul>
	Training of two staff members from the internal maintenance department	<ul style="list-style-type: none"> <li>two months of training per employee</li> </ul>	<ul style="list-style-type: none"> <li>specific training on building management to combine energy saving and comfort in the workplace</li> </ul>
France	Information campaign <ul style="list-style-type: none"> <li>staff members, clients, general public</li> </ul>	<ul style="list-style-type: none"> <li>www.generali-avenir.com website</li> </ul>	<ul style="list-style-type: none"> <li>suggestions for everyday environmental protection</li> <li>dossier and information on environmental issues</li> </ul>
	Génération Responsable <ul style="list-style-type: none"> <li>general public</li> </ul>	<ul style="list-style-type: none"> <li>television and website campaign www.generation-responsible.com</li> </ul>	<ul style="list-style-type: none"> <li>encourage the development of a "responsible generation" that adopts sustainable behaviour aimed at improving society and the environment for a better future</li> <li>encourage firms to adopt responsible behaviour by offering significant economic benefits and additional services to those firms opting to combine financial gain and sustainable development</li> <li>links to access instruments for calculating CO<sub>2</sub> emissions and "carbon footprint", namely the quantity of natural resources consumed on a daily basis, with suggestions for reducing and compensating consumption</li> </ul>





Country	Type of initiative targets	Method of diffusion	Main objectives and/or contents
France	<p>“Week for sustainable development” organised annually by Generali</p> <ul style="list-style-type: none"> <li>• staff members</li> </ul>	<ul style="list-style-type: none"> <li>• conferences, exhibitions and presentations on environmental issues, distribution of a brochure on CSR activities, collection of used clothing and biological foodstuff by Group cafeterias</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness of environmental issues in general</li> </ul>
	<p>Training</p> <ul style="list-style-type: none"> <li>• employees</li> </ul>	<ul style="list-style-type: none"> <li>• courses on environmental issues and the CSR</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness on environmental issues and the CSR</li> </ul>
	<p>Train de la planète (Earth Train)</p> <ul style="list-style-type: none"> <li>• general public</li> </ul>	<ul style="list-style-type: none"> <li>• itinerant initiative by train that visited 23 cities in 24 days</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness on environmental issues</li> </ul>
	<p>Sponsoring of the student contest as part of a collaboration agreement in place with the Environmental and Energy Management Agency (ADEME) and with the scientific publication, La recherche</p> <ul style="list-style-type: none"> <li>• students</li> </ul>	<ul style="list-style-type: none"> <li>• the annual contest presents solution proposals and tools to limit man’s impact on the environment</li> </ul>	<ul style="list-style-type: none"> <li>• raise young people’s awareness of the need for sustainable development</li> </ul>
Germany	<p>“Energy management” project</p> <ul style="list-style-type: none"> <li>• staff members, clients, general public</li> </ul>	<ul style="list-style-type: none"> <li>• project comprising a number of sub-projects to implement the energy management system</li> </ul>	<ul style="list-style-type: none"> <li>• training and raising awareness on more efficient and correct energy consumption</li> </ul>
	<p>Environmental and Energy Day</p> <ul style="list-style-type: none"> <li>• staff members and general public</li> </ul>	<ul style="list-style-type: none"> <li>• organised by the “Greengenerali” team</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness on natural resources and greenhouse gas emissions</li> <li>• information on energy saving and waste reduction measures to be adopted</li> </ul>
	<p>Environmental and Energy Week</p> <ul style="list-style-type: none"> <li>• employees</li> </ul>	<ul style="list-style-type: none"> <li>• each facility manager provides information, consultation on environmental resources and on the facility in general</li> </ul>	<ul style="list-style-type: none"> <li>• information and involvement of employees in the efficient use of resources process</li> </ul>
	<p>Training programme</p> <ul style="list-style-type: none"> <li>• employees</li> </ul>	<ul style="list-style-type: none"> <li>• training courses</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness on environmental issues and the CSR</li> </ul>
	<p>EE-shop</p> <ul style="list-style-type: none"> <li>• staff members</li> </ul>	<ul style="list-style-type: none"> <li>• on-line</li> </ul>	<ul style="list-style-type: none"> <li>• range of exclusively eco-compatible products</li> </ul>
Israel	<p>Training</p> <ul style="list-style-type: none"> <li>• environmental protection staff</li> </ul>		<ul style="list-style-type: none"> <li>• the environmental protection plan envisages adequate training for environmental protection staff to be appointed from existing Migdal employees</li> </ul>
	<p>Think Green in Migdal</p> <ul style="list-style-type: none"> <li>• staff members and general public</li> </ul>	<ul style="list-style-type: none"> <li>• distribution of paper copies</li> <li>• publication on the website</li> </ul>	<ul style="list-style-type: none"> <li>• promoting environmental protection through the preparation of a guide containing environmental protection information and advice, both at home and in the workplace</li> </ul>



Country	Type of initiative targets	Method of diffusion	Main objectives and/or contents
Israel	Information and training • staff members	<ul style="list-style-type: none"> <li>• Migdal portal;</li> <li>• brochure</li> <li>• notices in the cafeterias and common areas</li> </ul>	<ul style="list-style-type: none"> <li>• promotion of environmental protection via the publication of articles, advertising information and news in general</li> <li>• information on the measures adopted and to be adopted for energy saving</li> <li>• information on the management of selective waste disposal</li> </ul>
	Activities to raise awareness • staff members	<ul style="list-style-type: none"> <li>• lesson on environmental issues, including an audiovisual presentation</li> <li>• outdoor activities for cleaning a section of the Mediterranean coastline</li> <li>• small ecological gifts for children of employees starting primary school</li> <li>• use of the Green Office logo and slogan</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness on environmental issues</li> </ul>
Spain	Training and raising awareness • staff members	<ul style="list-style-type: none"> <li>• promoting CSR and environmental issues</li> <li>• Imagen Corporativa Interior Oficinas Generali España brochure</li> </ul>	<ul style="list-style-type: none"> <li>• promoting eco-compatible behaviour</li> <li>• control and reduction of water consumption</li> <li>• information on the management of selective waste disposal</li> </ul>
	Raising awareness • staff members	<ul style="list-style-type: none"> <li>• cloth shopping bags as Christmas gifts</li> </ul>	<ul style="list-style-type: none"> <li>• raising awareness on environmental issues by reducing the use of plastic bags</li> </ul>
Switzerland	Training and raising awareness • staff members	<ul style="list-style-type: none"> <li>• internal magazine</li> </ul>	<ul style="list-style-type: none"> <li>• raising awareness of environmental issues with particular attention to paper and energy consumption</li> </ul>
	"Energy Saving Weeks" • staff members	<ul style="list-style-type: none"> <li>• various activities</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness on energy saving</li> </ul>

In France, Generali also organised, in collaboration with other partners, the **Le Parlement des Entrepreneurs d'avenir: Les pionniers d'une économie plus humaine** (The Parliament of the Entrepreneurs of the future : Pioneers of a more humane economy) observatory, which includes those companies that are able, through their products and services, to generate a new growth model that is based on efficiency and responsibility, equity and sustainability. The observatory aims to promote a new global performance model that combines competitiveness with respect to the individual and his/her well-being at work and for ethical, company and environmental principles. Representatives of all companies, selected for their best practice, met at the National Assembly to discuss sustainable development issues. The [www.entrepreneursdavenir.com](http://www.entrepreneursdavenir.com) website is entirely dedicated to this initiative.

## Current action in other countries

Countries not included in the Sustainability Report area merit special mention for the action they have taken in a number of environmental areas, the committees they have formed and the initiatives they have introduced.

Countries in South America in particular have shown a great interest in the Sustainable Office Project launched in Italy in 2007 and some have created specific committees and formalised new and existing environmental policies. After making the relevant amendments, in order to optimise resources some countries introduced reminder messages taken from the poster developed in Italy.

In **Argentina**, Generali Corporate has set up an environmental committee comprising of five company employees. The committee deals with the "Sustainable Development" programme and its objective is to establish annual targets for reducing consumption of paper, water and electrical energy, etc. and to follow the development of all action taken towards meeting such targets. The committee also welcomes staff suggestions. In the La Caja company, a group of staff, reporting directly to the Company Director, and representing the corporate, administration, human resources and sales departments, have been following the Naturaleza Caja project since 2008. The project is an ecological and environmental information campaign. The project also provides for the allocation of funds raised from the recycling of paper and bottle tops to the largest public children's hospital in the country.

In **Brazil**, the local Sustainability Committee was set up, its members representing the IT, purchasing, marketing, human resources and legal departments. The committee will have decision-making powers on both a social and environmental level: an initiative launched some time ago, which unites the two fields, is the purchase of food hampers for the needy with funds raised from the sale of wastepaper. In 2009, as part of the Sustainable Office project, Generali promoted the donation of seeds and small plants of a number of species originating in the Atlantic region (Mata Atlantica) to its employees, brokers and suppliers, with the objective of contributing to the recovery of Brazilian vegetation, and at the same time reduce CO<sub>2</sub> emissions.

In **Guatemala**, the Human Resources Service deals with social responsibility initiatives. Company Intranet and/or information leaflets were used in training and raising employees awareness of environmental issues.

In **Panama**, the Sustainability Committee consists of one coordinator and 10 employees. The Committee reports to the Managing Director and to the Finance and Control Manager. Its task is to organise social responsibility action via the implementation of the "Sustainable Office" project.

**Belgium** and **Hungary** also have departments that deal with environmental issues.

Awareness initiatives are implemented in all countries through the Internet, Intranet and portals and sending information by e-mail to reduce energy, paper and water consumption and for selective waste management. In **Brazil**, in particular, with the slogan "Protect our most precious asset: Planet Earth", on 22 April (Earth Day) a message was sent to all employees to urge everyone to take care of the environment and the planet.

Individual countries also take specific measures which are outlined below.

#### Energy:

- **installation of temperature setting devices:** in Belgium a thermostat was installed in the offices; in Guatemala and Panama timers have been fitted so that the air-conditioning system switches itself on and off automatically;
- **installation of devices to automatically turn on/off lights:** in Argentina, the Netherlands, Panama, the Czech Republic and the United States photocell motion detectors have been fitted in the offices; in Belgium similar devices have been fitted in company car parks. In Guatemala the lighting policy sets out that all employees must switch off electronic equipment before leaving; at 19:00 hours, security must check that lights, computers, printers etc. are switched off;
- **energy saving light bulbs:** in China, Greece, Panama and Portugal;
- **LED lighting:** in Belgium;
- **renovation of buildings:** in Belgium, liquid fuel boilers were replaced with condensation boilers, in addition ceiling and wall insulation was improved in the buildings; in China and the Czech Republic insulating glass was installed, while in Portugal filtering glass film was applied to reduce energy consumption;
- **other initiatives:** in Brazil the Green IT project was introduced to promote computerised data collection and reduce energy consumption (one structure manages IT material for all the companies); in the Czech Republic, shared, centralised printers are used and energy is purchased from renewable sources, in addition, "eco-friendly" hot air devices have been installed for drying hands.

#### Paper:

- **use of ecological paper** in Belgium, the internal communication magazine is printed on ecological FSC paper; in Greece, policies are printed on recycled or ecological paper; in the Czech Republic this type of paper is commonly used;
- **duplex print setting** on printers: in Brazil, Columbia, India and the Netherlands;
- **electronic archiving:** in India, Portugal, the Czech Republic and the Netherlands;

- **use of Intranet, Internet and portals:** in Belgium the Gensite extranet is used to communicate with brokers and e-mail is the preferred means of communication for providing information to employees;
- **magazines, newsletters, electronic communications:** in Belgium, Brazil and Columbia an electronic newsletter is distributed to employees and the sales force; in China, Columbia, Greece and India, communication is often sent by means other than paper, such as e-mail; in the Czech Republic, the use of the telephone is preferred to paper letters, and the company's paper magazine has been replaced with an electronic version, in addition, the number of paper copies of the Economic Financial statements sent to stakeholders has been reduced, and the document is available in electronic format;
- **central and/or multi-functional printers:** in Brazil, India, Japan and Panama;
- **use of recycled material:** in Brazil, recycled stationery is preferred; in India and Panama envelopes and packages are reused a number of times for internal deliveries;
- **other initiatives:** in Brazil and Panama the number of printed pages per employee/sector is checked; in Greece, the joint initiative with the industry association for tree plantations continues.

#### Water:

- **flow control devices for the toilets:** in Argentina, some devices have been fitted in the bathrooms to control the use of water; in Portugal, water flow photocells have been installed in the toilets;
- **reuse and recycling:** in Guatemala building renovation or construction adhere to ecological criteria, for instance the new car-park has been covered with special tiles that allow rainwater collection and the reuse of such water for domestic purposes.

#### Waste:

- **selective waste collection of paper, plastic, glass, aluminium etc.:** Belgium, Guatemala, Japan, the Czech Republic and the United States dispose of most materials by selective waste collection. Paper is collected separately for recycling in almost all countries: in Greece, Portugal, Argentina, Mexico and Hungary. In Portugal, plastic is also collected separately as are batteries in Greece and China. In the latter country every employee is provided with a basket to collect spent batteries;
- **disposing of IT waste:** in Belgium, China, Japan, Panama and Portugal, electronic equipment is returned to the supplier or collected by a recycling company; in Greece small electronic equipment (fax machines, printers, monitors, etc.) is donated to employees or collected by external companies who dispose of and recycle them. Lastly, large equipment (company printers) is returned to the supplier at the end of the leasing period, without any additional cost; in Argentina, Columbia, Hong Kong, the Czech Republic, the United States, Thailand and Hungary IT equipment is donated to charity when it is no longer needed;
- **toners:** in Columbia, Greece, Guatemala, Portugal and Hungary toners are returned directly to the supplier for recycling; in China refillable toners are used.

Many countries have also introduced **corporate mobility** initiatives, in particular in Belgium a mobility policy for the promotion of public transport and the purchase of eco-friendly company vehicles has been implemented; in addition, a feasibility study on working from home is currently underway to reduce employee travel.

## Indirect environmental impact

Group activity can also have an indirect effect on the environment, especially through the purchasing, planning and provision of insurance products and through institutional investment activity.

With regard to **procurement ecology**, see the Supplier chapter, for **product ecology** refer to the Client chapter and for the **investment ecology** the Issuing company chapter.







BIOMASS POWER PLANT, CA' CORNIANI

Caorle, Venice

Photo: Mauro Mezzarobba

# GRI - UN GLOBAL COMPACT IDENTIFICATION TABLE

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EN27. Core	Percentage of products sold and their packaging materials that are reclaimed by category.	N.R.		VIII, IX
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LA1. Core	Total workforce by employment type, employment contract, and region.	35	SR	
LA2. Core	Total number and rate of employee turnover by age group, gender, and region.	39	SR	VI
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<b>ASPECT: Labor/management relations</b>				
LA4. Core	Percentage of employees covered by collective bargaining agreements.	50	SR	I, III
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LA10. Core	Average hours of training per year per employee by employee category.	59	G	
LA11. Additional	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	46; 59	SR	
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<b>ASPECT: Diversity and equal opportunity</b>				
LA13. Core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	22; 35	SR	I, VI
LA14. Core	Ratio of basic salary of men to women by employee category.	41	SR	I, VI

## SOCIETY

**ASPECT: Community**

S01. Core Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.

103

G

**ASPECT: Corruption**

S02. Core Percentage and total number of business units analyzed for risks related to corruption.

24

G

X

S03. Core Percentage of employees trained in organization's anti-corruption policies and procedures.

24

G

X

S04. Core Actions taken in response to incidents of corruption.

24

G

X

**ASPECT: Public policy**

S05. Core Public policy positions and participation in public policy development and lobbying.

14

G

I, II, III, IV, V, VI,  
VII, VIII, IX, X

S06. Additional Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

14

G

X

**ASPECT: Anti-competitive behavior**

S07. Additional Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.

87

SR

**ASPECT: Compliance**

S08. Core Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

79: 87

SR

**ASPECT: Community**

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FS14. Core Initiatives to improve access to financial services for disadvantaged people.

108

G

## HUMAN RIGHTS

**ASPECT: Investment and procurement practices**

HR1. Core Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

I, II, III, IV,  
V, VI

HR2. Core Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

I, II, III, IV,  
V, VI

HR3. Additional Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

I, II, III, IV,  
V, VI**ASPECT: Non discrimination**

HR4. Core Total number of incidents of discrimination and actions taken.

14

G

I, II, VI

**ASPECT: Freedom of association and collective bargaining**

HR5. Core Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

50: 51

G

I, II, III

**ASPECT: Child labor**

HR6. Core Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

51: 92

G

I, II, V

**ASPECT: Forced and compulsory labor**

HR7. Core Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.

51: 92

G

I, II, IV

**ASPECT: Security practices**

HR8. Additional Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

N.R.

I, II

**ASPECT: Indigenous rights**

HR9. Additional Total number of incidents of violations involving rights of indigenous people and actions taken.

61

SR

I, II

## PRODUCT RESPONSIBILITY

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PR1. Core Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

N.R.

I

PR2. Additional Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

N.R.

I

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PR4. Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	N.R.		VIII
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<b>ASPECT: Compliance</b>				
PR9. Core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	87	SR	
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FS12. Core	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.			

(1)  
N.R.= non relevant for the insurance-financial sector

(2)  
BS= Sustainability Report area  
G= Group

(3)  
Global Compact Principles – chapter Group section Adhesion to external environmental and social initiatives





**Co-ordination:**

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## Report Application Levels

		C	C+	B	B+	A	A+
Mandatory	Self Declared						
	Third Party Checked		Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional	GRI Checked		Report Externally Assured		Report Externally Assured		Report Externally Assured

The assurance of the “GRI application level” has been conducted by Mario Molteni, professor of Business Economics and Corporate Strategy at Università Cattolica del Sacro Cuore. He has confirmed the B level declared by the Group.